

STEADFAST

STEADFORWARD

CEYLON COLD STORES PLC ANNUAL REPORT 2025/26



STEADFAST

STEADFORWARD

At Ceylon Cold Stores PLC, we pride ourselves on being resolute in times of trial and on being unstoppable in times of growth.

This year, we turned our focus toward expansion, having secured the highest profit in our storied history. Our enduring legacy of excellence, amplified by standard-defining quality, innovative processes and brands that continues to evolve, is testament to the resilience of a business built over generations and the ambition that has led us to scale, invest and extend with intent.

As we remain steadfast in who we are and what we offer, we continue to forge ahead with confidence, breaking barriers and achieving remarkable milestones along the way. Guided by a strong spirit of enterprise and built on a foundation of resilience, quality, and innovation, we embrace every challenge as an opportunity for growth. With unwavering determination and a forward-thinking mindset, we move towards a future that is progressive, inclusive, and filled with endless possibilities.

At Ceylon Cold Stores PLC, we are steadfast, and steadforward.

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View this Annual Report online at
https://www.elephanthouse.lk/media-hub/financial-reports/



OUR HISTORY

For 160 years, we have continuously evolved our products and processes and empowered our team to stay at the forefront of our business.



OUR VISION

Our passion is to deliver pleasure and nutrition throughout people's lives, through exciting and superior products, whenever and wherever they choose to eat and drink.



OUR VALUES

INNOVATION

Changing constantly, reinventing and evolving

In trying new ideas we win or learn, there is no failure.

INTEGRITY

Doing the right thing always

Transparency is everything, so we just do it right!

EXCELLENCE

Constantly raising the bar

We get better every day.

CARING

Fostering a great place to work

We listen, we are thoughtful and we care to make a difference.

TRUST

Building strong relationships based on openness and trust

The foundation we work from.

STEADFAST STEADFORWARD

OUR STRATEGY PILLARS

A SYSTEM BUILT ON PURPOSE. A BUSINESS DRIVEN BY PROGRESS.

At CCS, value creation is not a single outcome; it is the result of deliberate choices, aligned capabilities, and consistent execution across the business.

We operate as an interconnected system, where strategy guides action, people drive performance, and every part of the organisation contributes to a shared direction.

Our journey forward is shaped by five strategic pillars; each reinforcing how we grow, operate, and create impact.

SUSTAINABLE GROWTH

GROWING WITH INTENT. EXPANDING WITH DISCIPLINE.

Growth at CCS is purposeful and forward-looking.

We expand into new markets, strengthen our portfolio, and invest in capabilities that position us for long-term success; much like foragers that venture beyond the hive to discover new sources of value.

Every step forward is measured, balancing opportunity with resilience, and ambition with responsibility.

Steadfast in purpose. Steadforward in growth.

Rs. **7.9** Bn (+32%)
Profit After Tax

Rs. **26.3** (+4%)
Net Asset Value per Share

EMPOWERED TEAM

PEOPLE AT THE CORE. STRENGTH IN COLLECTIVE CAPABILITY.

Our people are the driving force behind our performance.

Across operations, manufacturing, distribution, and retail, our teams bring together expertise, commitment, and shared accountability.

The strength of a hive lies in coordinated effort, where thousands of small, coordinated actions create meaningful outcomes. Likewise, we foster an environment that enables individuals to contribute meaningfully, building a culture where collaboration drives outcomes.

When our people grow, the business moves forward.

Steadfast in empowering people. Steadforward together.

24
Average training hours per employee

Rs. **15.6** Bn (+28%)
Payments to Employees

FULFILLING THE CUSTOMER PROMISE

CONSISTENCY, QUALITY, AND TRUST - DELIVERED EVERY DAY.

At the heart of our business is a clear commitment to our customers.

From product quality to service excellence, we focus on delivering experiences that meet expectations and build lasting trust.

As every movement within a hive serves a purpose, ensuring reliability and continuity, we collectively evolve to meet changing customer needs across every touchpoint.

Our promise is defined by what we consistently deliver, every day.

Steadfast in reliability. Steadforward in customer experience.

31
New Products Launched (Manufacturing Sector)

>2.8 Mn
Keells Nexus Customers

MANAGING THE VALUE CHAIN

SEAMLESS INTEGRATION. END-TO-END STRENGTH.

Our operations are built on a well-connected value chain, linking sourcing, manufacturing, distribution, and retail into a unified system.

Much like the honeycomb that stands as one of nature's most efficient structures, we are designed to maximise strength while minimising waste. By optimising every link, we create a system that is strong, agile, and built to perform.

This integration enables us to respond with agility while maintaining consistency across the business. Strength lies in how well we connect.

Efficiency, by design.

Steadfast in integration. Steadforward in execution.

Rs. **63.9** Mn (+40%)
Investment in CSR Initiatives

Rs. **177.3** Bn (+19%)
Local Procurement Spend

SUSTAINABLE & RESPONSIBLE ORGANISATION

CREATING IMPACT BEYOND BUSINESS.

We recognise that long-term success is intrinsically linked to the impact we create. Accordingly, we extend our value beyond operations through responsible sourcing, environmental stewardship, and community engagement, reflecting the role of bees in sustaining ecosystems through pollination and enabling growth at scale.

Sustainability is not a separate initiative, it is embedded in how we think, decide, and act. We remain responsive to our environment by adapting to change, managing resources responsibly, and building long-term resilience.

Our responsibility defines our future.

Steadfast in creating impact. Steadforward for tomorrow.

1,115 MT (+46%)
Plastic Collected and Recycled

88,236 GJ
Renewable Energy Generation





HOLDING STEADFAST

At Ceylon Cold Stores PLC, collaboration defines our operations and brings together teams, partners, and networks to deliver shared outcomes. Each part of the organisation contributes purposefully, ensuring collective and consistent progress. Through this unity, we continue to strengthen our presence and impact across the nation.

Bees work together seamlessly, each contributing to the hive's strength and survival; through collective effort, the hive thrives as one interconnected system.

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OUR APPROACH TO REPORTING

We are pleased to present Ceylon Cold Stores PLC's ("CCS") 11th Integrated Annual Report for the financial year ended 31st March 2026. This Integrated Report offers a concise and balanced account of how the Group directed strategy in the context of its operating landscape to deliver value to shareholders and other key stakeholders. The Report also outlines the Group's corporate governance and risk management processes, provides a detailed analysis of its financial and non-financial performance along with insights into how the Group intends on creating value in the future.

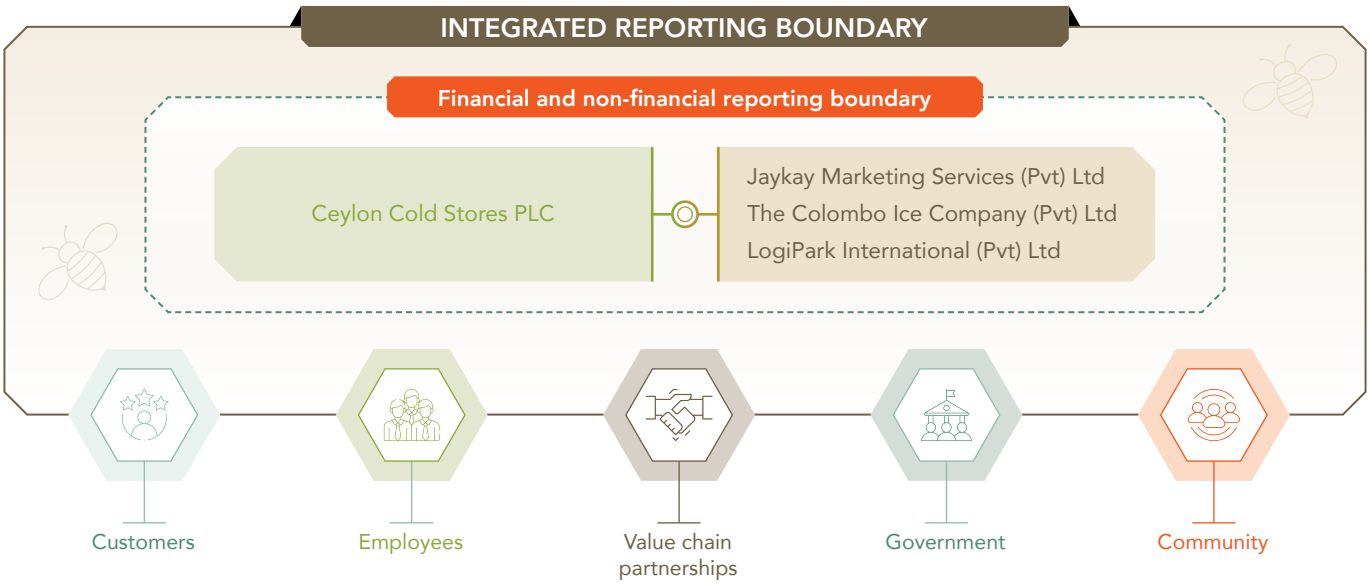


BASIS OF PREPARATION

This Integrated Annual Report provides information about the operations of Ceylon Cold Stores PLC and its subsidiaries Jaykay Marketing Services (Pvt) Ltd, The Colombo Ice Company (Pvt) Ltd, and LogiPark International (Pvt) Ltd (collectively referred to as "Group"). The Report has been prepared for the financial year from 1st April 2025 to 31st March 2026 and builds on our previous report for the financial year ended 31st March 2025, in line with the Group's annual reporting cycle.

Reporting Boundary

The scope and boundary of our Integrated Report is presented below.



The financial and non-financial information presented in the Financial Statements and the narrative represents a consolidated view unless stated otherwise. The narrative extends beyond an analysis of performance to include material information about the operating environment. While the Group operates primarily in Sri Lanka, strategic partnerships developed over the last two years supports the manufacture, distribution and marketing of its beverages and confectionery products in overseas. However, these markets do not represent significant revenue streams at present.

No major changes to the Group's size, shareholding, structure or supply chain took place during the year under review. Furthermore, no major restatements were made to the financial and non-financial information disclosed in our previous Annual Report during the year under review.

REPORTING FRAMEWORKS

Developments in the reporting landscape in 2025/26

The first 100 listed entities based on market capitalisation as at 1st January 2025 on the Main Board of the Colombo Stock Exchange were required to aligned its corporate reporting with the requirements of SLFRS Sustainability Standards S1 and S2, the localised versions of ISSB's IFRS Sustainability Standards S1 and S2 from 1st January 2025.

Aligning with this requirement, the Group has provided detailed information about its sustainability and climate related risks and opportunities, governance and risk management frameworks, strategy and key metrics on page 184 of this Report.

This Integrated Report also aligns with the following mandatory and voluntary reporting standards.

Financial Statements and Reporting

- Sri Lanka Financial Reporting Standards
- Sri Lanka Accounting and Auditing Standards

Narrative Reporting

- Integrated Reporting <IR> Framework
- GRI Universal Standards
- Sustainable Development Goals
- SASB Standards for Non-alcoholic beverages, Processed foods and Food retailers and distributors
- Gender parity reporting framework of CA Sri Lanka

Corporate Governance

- Code of Best Practice on Corporate Governance
- CSE Listing Rules No. 9
- Securities and Exchange Commission of Sri Lanka Act No. 36 of 1987

Combined assurance

CCS follows a combined assurance approach to ensure the integrity of the disclosures made in this Integrated Annual Report. The Group's management conducts internal reviews of the reporting process and the financial and non-financial information presented herein. External assurance on both financial statements and sustainability reporting based on GRI Standards was obtained from Messrs. Ernst and Young, Chartered Accountants.

Forward looking statements

Forward-looking statements provided in this Integrated Annual Report represent the Group's current expectations and projections regarding future events and are included to reflect the Group's potential for future value creation. However, these statements carry inherent risks and uncertainties as they pertain to events beyond the Group's control and may differ materially from actual outcomes. Therefore, we advise readers to consider the most recent information available when evaluating forward-looking statements. No liability rests with the Board of Directors or other prepares of this Annual Report in respect of forward-looking statements.

OUR APPROACH TO REPORTING

NAVIGATING OUR REPORT

Navigation Icons

THE CAPITALS

- Intellectual Capital
- Financial Capital
- Human Capital
- Social and Relationship Capital
- Manufactured Capital
- Natural Capital

OUR STAKEHOLDERS

- Customers
- Employees
- Investors
- Distributors/ Retailers
- Suppliers
- Government & Regulators
- Communities

STRATEGIC PRIORITIES

- Sustainable Growth
- Fulfilling the Customer Promise
- Empowered Team
- Managing the Value Chain
- Sustainable and Responsible Organisation

STATEMENT OF BOARD RESPONSIBILITY

The Board of Directors is ultimately responsible for ensuring the integrity of this Report. The Board hereby confirm that the 2025/26 Annual Report addresses all relevant material matters and fairly represents the Group's integrated performance, and we also confirm that the Report has been prepared in line with the guidance set out in the Integrated Reporting (IR) Framework.

The Report is approved and authorised for publication.

Signed on behalf of the Board,

Krishan Balendra

Krishan Balendra
Chairperson
25th May 2026

FEEDBACK

We acknowledge that Integrated Reporting is an evolving principle and remain committed to continuously improving our reporting practices. We welcome your comments, suggestions and queries on this Report. Please direct your feedback to,

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Sector Financial Controller
Ceylon Cold Stores PLC
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Colombo 02.
Email: janig.ccs@keells.com


BLAST INTO WONDER
WONDER
STRAWBERRY BLAST
BAR
WONDER
MANGO BLAST
BAR
SEE THE TASTE OF
MANGO & STRAWBERRY

PERFORMANCE HIGHLIGHTS

Metric		2025/26	2024/25	YoY Change
STRATEGIC PRIORITY: SUSTAINABLE GROWTH				
FINANCIAL PERFORMANCE				
Revenue	Rs. million	184,595	157,934	17%
Gross Profit	Rs. million	25,922	22,741	14%
Operating Profit	Rs. million	13,578	11,314	20%
Profit Before Tax	Rs. million	11,077	9,002	23%
Profit After Tax	Rs. million	7,886	5,958	32%
EBITDA	Rs. million	19,022	16,107	18%
FINANCIAL POSITION				
Total Assets	Rs. million	92,239	81,885	13%
Total Liabilities	Rs. million	67,277	57,920	16%
Total Debt	Rs. million	19,150	16,003	20%
Shareholders' Funds	Rs. million	24,962	23,965	4%
Return on Assets	%	9.06	7.66	1.40
Return on Capital Employed	%	24.72	22.46	2.26
Debt/Equity	%	76.72	66.78	9.94
Interest Cover	No. of Times	5.20	4.67	0.53
WORKING CAPITAL				
Current Assets	Rs. million	31,377	27,344	15%
Current Ratio	No. of Times	0.69	0.71	(0.02)
Quick Ratio	No. of Times	0.24	0.28	(0.04)
SHAREHOLDER INFORMATION				
Earnings Per Share	Rs.	8.30	6.27	2.03
Dividends Per Share	Rs.	5.67	4.30	1.37
Net Asset Value Per Share*	Rs.	26.26	25.22	1.04
Closing Share Price	Rs.	103.00	82.00	21.00
Price Earnings Ratio	No. of Times	12.41	13.08	(0.67)
Dividend Payout	%	68.33	68.60	(0.27)
Dividend Yield	%	5.50	5.24	0.26
Market Capitalisation	Rs. million	97,891	77,933	26%
Enterprise Value	Rs. million	129,867	104,321	24%

**Net asset per share has been calculated based on the number of shares in issue as at 31st March 2026.*

Rs. **184.6** Bn

Revenue

(+17%)

Rs. **7.9** Bn

Profit After Tax

(+32%)

Rs. **92.2** Bn

Total Assets

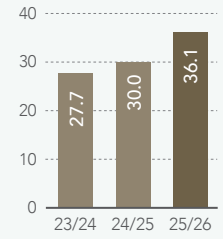
(+13%)

Metric		2025/26	2024/25	YoY Change
MANU-FACTURED CAPITAL				
Property, Plant and Equipment	Rs. million	36,053	29,961	20%
Capital Expenditure	Rs. million	10,416	5,249	98%
Retail Outlets (Keells)	No.	147	138	9
HUMAN CAPITAL				
STRATEGIC OBJECTIVE: EMPOWERED TEAM				
Total Employees	No.	8,429	8,187	242
Payments to Employees	Rs. million	15,571	12,209	3,362
Employee Retention Rate	%	13	14	(1)
Female Representation	%	46	44	2
Investment in Training	Rs. million	148	139	9
Total Training Hours	Hours	201,019	225,928	(24,909)
Average Training Hours/Employee	Hours	24	28	(4)
Workplace Injuries	No.	182	245	(63)
Graduates from JMSL Training Academy	No.	632	726	(94)
SOCIAL AND RELATIONSHIP CAPITAL				
STRATEGIC PRIORITY: FULFILLING THE CUSTOMER PROMISE				
New Products Launched	No.	31	21	10
New Outlets Opened (Keells)	No.	9	6	3
Non-Compliance to Product Responsibility Regulations (Manufacturing Sector)	No.	Nil	Nil	-
STRATEGIC PRIORITY: VALUE CHAIN AND COMMUNITY DEVELOPMENT				
Payments to Suppliers	Rs. million	184,194	153,753	30,441
No of Farmer Training Programmes Conducted	No.	123	148	(25)
Investment in CSR	Rs. million	64	46	18
Volunteer Hours	No.	1,341	1,466	(125)
NATURAL CAPITAL				
STRATEGIC PRIORITY: PRESERVING THE PLANET				
Energy Consumption	GJ	469,566	449,622	4%
Water Withdrawal	ML	906	808	12%
Water Consumption	ML	315	245	28%
Solid Waste	MT	8,714	6,513	34%
Effluents	M^3	172,986	173,707	(0%)
Carbon Footprint	tCO_2e	93,358	81,862	14%
Energy Intensity - Manufacturing	GJ/1,000 Ltrs	0.916	1.129	(19%)
Emission Intensity - Manufacturing	tCO_2e/1,000 Ltrs	0.162	0.200	(19%)
Water Intensity - Manufacturing	Ltrs/1,000 Ltrs	3,655	4,357	(16%)
Energy Intensity - Supermarket	GJ/Sqft	0.144	0.131	9%
Emission Intensity - Supermarket	tCO_2e/Sqft	37.14	31.82	17%
Water Intensity - Supermarket	Ltrs/Sqft	0.19	0.16	18%
INTELLECTUAL CAPITAL				
Investment in R & D	Rs. million	112	100	12
New Products Launched	No.	31	21	10

PERFORMANCE HIGHLIGHTS

Manufactured Capital

Property, Plant and Equipment Rs. Bn



Rs. **8.9** Bn
Capital expenditure - PPE

09
New supermarket outlets

Rs. **1.5** Bn
Investment in digitalisation

Intellectual Capital

31
New products launched (Manufacturing)

Rs. **112.2** Mn
Investment in R&D

Sri Lanka's Most Valuable Non-alcoholic Food and Beverage Brand 2025 (Brand Finance, 2025)

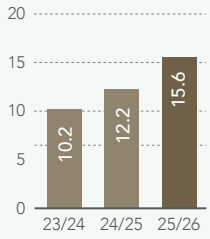
'Most Loved Supermarket Brand in 2025' (LMD, 2025)

Human Capital

	2025/26	2024/25
No, of employees	8,429	8,187
Retention rate (%)	13	14
Investment in training (Rs. Mn)	148	139
Female representation (%)	46	44
Workplace injuries	182	245



Payments to Employees Rs. Bn

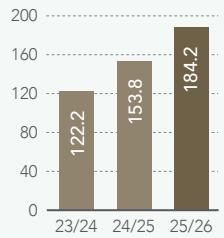


Social and Relationship Capital

Rs. **63.9** Mn
Investment in CSR

Rs. **177.3** Bn
On local procurement

Payments to Suppliers Rs. Bn





2,966 farmers supported through Keells Govi Diri

>550 New suppliers added

>13,630
CSR beneficiaries

58 New distributors added

741 Youth positively impacted

537 Women empowered

Natural Capital

	YoY change
Energy consumption	4%
Water consumption	28%
Solid waste	34%
Carbon footprint	14%



Renewable energy generation
88,236 GJ

23,439 GJ
Manufacturing

64,797 GJ
Supermarket

Rs. **14.9** Mn
Investment in New material recovery facilities

1,115 MT
Plastics recycled

35%
PET bottles recycled as a % of sales

CHAIRPERSON'S MESSAGE

Introduction

On behalf of the Board of Directors of Ceylon Cold Stores PLC (CCS), it is my pleasure to present the Annual Integrated Report and the Audited Financial Statements for the Group for the year ended 31st March 2026. The Group delivered a strong performance, achieving a 17% increase in revenue and a 32% increase in Profit After Tax (PAT) in 2025/26.

Operating Environment

Sri Lanka's economy maintained its growth momentum during the year, supported by improving macroeconomic stability and recovery in domestic economic activity. The growth was led by the Industry Sector, which expanded by 7.8% on the back of sustained momentum in manufacturing and construction. The Services sector grew by 3.3%, reflecting a gradual recovery supported by improvements in tourism, transport, and financial services. Meanwhile, the Agriculture sector recorded modest growth of 1.4%, aided by gains in selected subsectors despite weather-related disruptions during the year.

Business and consumer sentiment improved during FY 2025/26, supported by strengthening macroeconomic fundamentals, relatively stable monetary conditions, expanding private sector credit and improving economic stability compared to the previous year. Headline inflation returned to positive territory in August 2025 following an extended period of deflation and reached 2.1% in December 2025, remaining well within the Central Bank of Sri Lanka's (CBSL) medium-term target of 5%. Inflation remained broadly stable through March 2026 at 2.2%, as the pass-through impact of subsequent fuel price increases had yet to fully materialise. Monetary policy remained largely accommodative during most of FY 2025/26, although interest rates gradually trended upward during the latter part of the year, signalling early normalisation in domestic credit conditions while remaining below 10% for the second consecutive year.

The external sector remained resilient in FY 2025/26, despite a rise in import expenditure driven by economic normalisation, including the resumption of vehicle imports. Merchandise export earnings reached a record USD 13.6 billion in calendar year 2025, marking year-on-year growth of over 6.3%, supported by strong industrial exports of USD 10.5 billion and a continued recovery in agricultural exports, which exceeded USD 3.1 billion.

The tourism sector remained a key driver of external sector performance, with tourist arrivals rising by 15% in calendar year 2025 to surpass pre-pandemic levels. Tourism earnings reached approximately USD 3.2 billion, supporting services exports and contributing to broader domestic economic activity during FY 2025/26. Worker remittances strengthened significantly during the year, providing a vital source of foreign exchange and supporting domestic liquidity. Reflecting improved inflows from exports, tourism, and remittances, Gross Official Reserves rose to approximately USD 6.8 billion by end-December 2025 and further increased to around USD 7.3 billion by end-February 2026, remaining at healthy levels through the latter part of FY 2025/26.

In line with import normalisation and movements under the flexible exchange rate regime, the Sri Lankan Rupee depreciated moderately during the period, weakening by 5.6% to Rs. 309.99/USD as at end-December 2025 and by a further 1.7% to Rs. 315.19/USD during the fourth quarter of FY 2025/26. The currency, however, witnessed pressure, similar to many regional countries, following the Middle East conflict on account of lower tourism flows and higher fuel related outflows due to the significantly higher oil prices with the Rupee ending at ~Rs. 340 as of mid-May 2026.

While cyclone Ditwah caused significant disruption across parts of Sri Lanka in November 2025, the country's resilience and recovery efforts helped restore stability progressively in the aftermath. The tragic loss of life and damage to infrastructure resulting from the floods and landslides underscored the growing impact of climate-related physical risks and the importance of strengthening climate resilience and disaster preparedness. The Board joins me in extending its deepest condolences to all those who lost loved ones in the resulting floods and landslides.

Across both the Manufacturing and Supermarket Sectors, the Group experienced short term disruptions arising from Cyclone Ditwah, despite manufacturing facilities remaining unaffected. In the Manufacturing Sector, distribution channels, particularly within the Confectionery category, were significantly disrupted, impacting over 9,500 channel partners, while subdued consumer spending in the immediate aftermath weighed on seasonal sales during December. Similarly, the Supermarket Sector faced temporary operational disruptions, including short term outlet closures and softer footfall in disaster affected areas; however, operations across both Sectors were progressively stabilised with no material long term impact. Sri Lanka's vulnerability to climate related risks resurfaced in March 2026 amid intense dry weather conditions.

Global headwinds intensified during March 2026 following geopolitical developments in the Middle East. In response to global energy supply disruptions, Sri Lanka commenced retail fuel rationing from 15th March 2026, while cost-reflective pricing resulted in two fuel price hikes with a cumulative impact of approximately 36% within a one-month period. Disruptions to air connectivity adversely affected tourist arrivals, particularly from European markets, with arrivals declining by 19.8% year-on-year in March 2026.

The conflict also disrupted global supply chains for key inputs, leading to price escalations, while freight and insurance costs increased due to conflict-related surcharges. These developments resulted in renewed

cost pressures across logistics, packaging and manufacturing inputs, also weighing on consumer sentiment, with early indications of moderation in discretionary spending.

Electricity tariffs were revised upwards, including a 16% increase in June 2025, an 11% increase in 1st April 2026, and a further 18% increase in May 2026, in line with the cost-reflective pricing framework.

Several policy and regulatory changes during the year had direct implications for the food manufacturing and distribution sector. Amendments to the Shop and Office Employees Act, gazetted in January 2026, permitted women aged 18 and above to work night shifts in food and beverage operations, subject to mandatory safeguards relating to safety, transport, and welfare, thereby improving labour deployment flexibility.

Fiscal and tax-related measures implemented during FY 2025/26 also increased cost and compliance pressures. These included revisions to the national minimum wage, which increased to Rs. 27,000 per month from April 2025 and to Rs. 30,000 per month from January 2026. Environmental regulations also continued to evolve, including the introduction of mandatory charges on polythene shopping bags from November 2025, reinforcing the focus on sustainable consumption practices.

Progress under Sri Lanka's International Monetary Fund (IMF) Extended Fund Facility (EFF) continued during FY 2025/26, supporting macroeconomic stability, fiscal consolidation, and the rebuilding of external buffers. Disbursements received during the year, together with emergency financing related to Cyclone Ditwah, contributed to reserve accumulation and strengthened economic resilience.

Against this evolving macroeconomic, regulatory, and operating backdrop, the Group remained focused on protecting margins, enhancing operational resilience, and executing its strategy within a gradually improving yet dynamic and externally exposed economic environment.

Driving Growth

Amid a dynamic operating environment marked by both positive developments and ongoing challenges, the Group delivered strong growth across both the Manufacturing and Supermarket Sectors in FY 2025/26. The Manufacturing Sector's performance was driven by robust volume growth and portfolio expansion in the Beverages category, supported by innovation, strengthened brand engagement, and expanded distribution, with the category recording its highest-ever volumes during the year. The Confectionery category also demonstrated resilience, achieving its highest-ever volumes despite elevated input cost pressures and weather-related disruptions, reflecting strong brand equity and effective market execution.

In the Supermarket Sector, growth was underpinned by higher footfall and double-digit same-store sales growth, supported by data-led and customer-centred value propositions, an expanded outlet footprint, enhanced private label and imported product offerings, and strengthened omni-channel accessibility, complemented by continued investments to elevate the in-store and digital retail experience.

Manufacturing Sector

Manufacturing Sector revenue expanded by 13% to Rs. 38.02 billion in 2025/26 (2024/25: Rs. 33.52 billion), driven by strong performance in the Beverages category and continued resilience in the Confectionery category, with both achieving their highest-ever volumes in the Group's history. Operating profit also improved by 8% to Rs. 5.44 billion (2024/25: Rs. 5.03 billion), supported by higher volumes and improved operational efficiencies.

The Manufacturing Sector operating profit margin moderated to 14.3% from 15.0% in the previous year, primarily due to elevated input cost pressures in the Confectionery category, including global raw material price increases and exchange rate impacts, as well as short-term disruptions from the Ditwah Cyclone. These were partially offset by strong volume growth and improved performance in the Beverages category, enable the Sector to improve profitability and maintain growth.

Beverages

The Beverage category delivered a strong performance in 2025/26, recording a volume growth of 18%. Growth was driven by a 13% volume expansion in the Carbonated Soft Drinks (CSD), enabled by expanded distribution, improved consumer spending, increased out-of-home consumption given large scale entertainment and sporting events backed by favourable weather conditions for most parts of the year. Continued momentum in tourist arrivals, seasonal sales and a temporary disruption in the availability of competitor products during Q4 2025/26 also supported the growth. Volumes were stable during the first quarter of the year and recorded strong growth in the second quarter, before moderating in the third quarter due to the impact of Cyclone Ditwah.

Despite higher ginger prices arising from supply constraints and weather-related impacts, gross margins improved by 1%, supported by a favourable product mix and continued enhancements in operational efficiencies and cost optimisation across the value chain. Margins remained stable in the first two quarters, moderated in the third quarter, and improved in the fourth quarter aligned to volume growth.

During the year under review, the category launched a new energy drink under the brand "FYRE", extending its portfolio to serve a broader spectrum of customer needs. The category also introduced 5 new products under the "CAMPA" range through partnership with Reliance Consumer Products Limited (RCPL) which includes new CSD flavours and energy drink options offering consumers greater choice, innovation and value.

Meanwhile, "VIBE", our fruit flavoured canned CSD range launched last year, continued to gain traction, particularly among younger audiences. The Polyethylene Terephthalate (PET) packaging format maintained strong growth momentum and continued to account for the majority of CSD volumes. Returnable glass bottle volumes remained consistent with last year, while demand for smaller pack sizes remained strong, driven by value-led proposition and convenience as an on-the-go option.

The non-CSD range also recorded strong growth, driven by water which achieved double digit growth supported by expanded distribution and implementation of controlled pricing effective from 1st April 2025, backed by increased demand for safe drinking water due to weather-related disruptions and temporary disruptions to competitor product availability in the fourth quarter. The Fruit Juice category recorded a moderate growth and the volumes remained stable throughout the year. The contribution to the profitability of the Beverages business from the franchise partnership with RCPL for the manufacture, sale and distribution of Elephant House beverages in India remains minimal at this point of time.

During the year, the category also made a targeted investment in a blow moulding machine to support capacity requirements in the CSD range. Expanding distribution across all channels remained a key priority, with the network comprising over 90,000 channel partners. Strengthening distribution partnerships also included monthly performance reviews, strategic discounting and trade market support, ensuring mutual value creation for both distributors and for the Category. Progressing the Beverage Category's digital and data analytics transformation remained a priority in 2025/26 with the implementation of a data lakehouse and an Artificial Intelligence (AI) based interface to facilitate interaction.

The Elephant House brand continued to strengthen its brand salience and consumer engagement during the year through focused brand refresh initiatives, strategic partnerships, and experiential marketing. A key highlight was the relaunch of the Elephant House Lemonade brand, supported by refreshed packaging, a contemporary marketing campaign, and elevated visibility through its association as the Official Carbonated Beverage Partner of Sri Lanka Cricket, reinforcing relevance among mass and youth audiences.

Brand resonance was further enhanced through innovative activations that integrated on-ground and digital engagement, including initiatives such as "EGB Kaama Kalawa" and the continued association of Cream Soda with large-scale music and cultural events. These initiatives reinforced emotional connection, brand recall, and trust across priority consumer segments while strengthening Elephant House's presence in moments of shared entertainment and national relevance.

Reflecting its sustained brand strength and consumer appeal, Elephant House was recognised as the Most Loved Cold Beverage Brand – LMD Brands Annual 2025 and ranked first among Sri Lanka's Most Valuable Non-alcoholic Food & Beverage Brands 2025 by Brand Finance, underscoring its strong brand equity and leadership in the beverages category.

Confectionery

The Confectionery category maintained its market leadership position during 2025/26, delivering volume growth of 8% amid uneven trading conditions and achieved its historically highest-ever volumes. This milestone underscores the continued strengthening of the category's market position and the effectiveness of consistent, disciplined execution across channels. Performance during the year was supported by incremental gains in retail penetration, targeted trade marketing initiatives, strong market execution, and stable consumer engagement across key segments, enabling the category to sustain growth momentum despite external pressures.

Volume performance varied across the year, with growth in the first quarter remaining subdued due to weather-related disruptions. Momentum improved modestly in the second quarter before being moderately impacted in the third quarter by Cyclone Ditwah, which disrupted distribution operations and dampened consumer demand, particularly within the single serve segment given its reliance on cold chain availability and footfall-driven purchases. The fourth quarter recorded a measured stabilisation as operating conditions improved, supported by favourable weather, renewed market activity, and selected product and brand initiatives. From a segment perspective, multi-serve products continued to demonstrate relatively stronger and more resilient demand, aligned with heightened price sensitivity among consumers. The single-serve segment experienced pressure up to mid-year but showed signs of stabilisation towards year-end. The IMORICH premium portfolio continued to maintain its presence within the category mix, with performance remaining stable during the year.

Overall margins were constrained by elevated input cost pressures, particularly in cocoa, dairy inputs and nuts, together with the gradual increase in electricity rates, while volume momentum remained uneven for most part of the year. These pressures eased in the fourth quarter, supported by normalising operating conditions, improved sales mix and strengthen distribution efficiency, resulting in a gradual recovery in margins towards the end of the year.

During the year, brand and portfolio actions were undertaken to strengthen relevance, top of the mind recall and consumer engagement, particularly within the single-serve segment. The "Wonder" range was revamped to

enhance its appeal among younger consumers and to improve brand visibility at the point of sale. The Elephant House "Superhero" campaign continued to engage children and families through sustained, brand-led activations. In recognition of its strong brand performance and consumer relevance, Elephant House Ice Cream was crowned Brand of the Year and also won the Gold Award for Product Brand of the Year 2025 at the SLIM Brand Excellence Awards 2025.

A key strategic milestone during the year was the commissioning of the new extrusion machine which will enhances the long-term competitiveness of the single-serve portfolio. Extrusion production commenced in January 2026, with a the launch of 7 new SKUs under the "IMORICH" and "Wonder" brands.

In the Confectionery Category, advanced data analytics-enabled insights continued to be progressively embedded across the business to support improved better-informed decision-making across sales, distribution, and planning teams, while enabling tighter governance of trade investments and route-to-market effectiveness.

Margins remained under pressure during the year due to elevated global prices of key raw materials such as cocoa, dairy inputs, and nuts, alongside higher electricity tariffs and fuel costs where the category took a conscious decision to absorb the majority of these price pressures without passing them on to the consumers through retail price increase. These pressures were compounded by operational disruptions arising from Cyclone Ditwah. Mitigating actions, including selective pricing adjustments, productivity improvements, and ongoing cost optimisation initiatives, partially offset margin compression, although overall margin recovery remained constrained by market conditions.

During the year, the category also expanded its international footprint through a partnership to manufacture, distribute, and market Elephant House ice cream in Australia with initial product launches in Melbourne demonstrated encouraging early response.

Supermarket Sector

The Supermarket Sector's revenue rose by 18% to Rs. 146.57 billion (2024/25: Rs 124.42 billion) driven by a 13% growth in same store sales, driven primarily by a 14% increase in footfall. This performance was achieved through a series of targeted initiatives aimed at driving customer traffic and engagement, despite elevated cost pressures arising from higher electricity tariffs and increased wastage associated with maintaining improved product availability.

Deep data-led insights strengthened the customer centricity of its value propositions through optimised pricing, personalised promotions and a broader product range across multiple price points. Responding to improving consumer sentiment, the Sector introduced over 110 new imported products from world renowned brands, expanding its imported portfolio across multiple categories. Concurrently, penetration of the private label product range, which is priced below the national brands, continued to increase while direct imports facilitated the availability of everyday essentials at competitive prices.

The bakery and prepared food categories emerged as key revenue drivers. The Supermarket Sector further invested in the expansion of the highly successful doughnut counter network by an additional 96 stores, a new in-house pizza range featuring 6 new flavours and a reformulated base, a revamped crispy chicken offering and seasonal sweets and treats.

While operations were temporarily disrupted by Cyclone Ditwah, including short-term closures across a limited number of outlets, operations were progressively restored with no material long-term impact supported by centralised distribution and recovering customer traffic.

The Average Basket Value (ABV) was impacted during the first half of FY 2025/26 due to declines in both Weight of Purchase (WOP) and Retail Selling Price (RSP), although initiatives to improve customer footfall helped increase visit frequency and overall customer spend. Performance recovered during the second half, with third quarter recording positive ABV growth driven mainly by improvements in WOP and retail selling prices. However, fourth quarter performance was affected by panic buying and uncertainty arising from the Middle East conflict in March 2026.

The Supermarket Sector expanded its physical network, adding 9 new outlets and extending its total reach to 147 as at end-March 2026. The omnichannel ecosystem was further strengthened during the year through the expansion of Uber Eats and PickMe Food coverage to 100 outlets nationwide and the introduction of Uber Grocery, enhancing digital accessibility. Last-mile delivery capabilities were also expanded through the Keells Riders App across over 75 outlets, improving delivery coordination and customer service. Meanwhile, Keells Online continued to maintain strong platform performance, supported by reliable service, quality products, and convenient delivery and click-and-collect options, contributing to a growing loyal customer base. The launch of the Keells Nexus mobile app in February 2026 marked a significant milestone in the digital journey, enabling more personalised engagement, loyalty integration and personalised rewards, with strong early adoption.

Farmer sourcing resilience was further strengthened through expanded collection centres. During the year together with the Asian Development Bank and the Smallholder Agribusiness Partnerships Programme, the Sector worked to improve farmer capacity building and adaptability to climate-resilient agricultural practices.

The Sector's strong established network, advanced analytics capabilities, resilient supply chain, and disciplined cost

management further strengthened its competitive positioning, reflected in an increase in market share during the year. In recognition of its performance and brand strength, Keells was named the "Most Loved Supermarket Brand in Sri Lanka 2025" by LMD magazine.

Group Performance Review

Consolidated Group revenue rose by 17% to Rs. 184.6 billion (2024/25: Rs. 157.93 billion) supported by strong topline growth across both Manufacturing and Supermarket Sectors. The contribution from the Supermarket Sector accounted for 79% of Group revenues with a Rs. 146.57 billion while the Manufacturing Sector accounted for the balance Rs. 38.02 billion. Consolidated gross profit increased by 14% to Rs. 25.92 billion (2024/25: Rs. 22.74 billion) driven by a 13% increase in the Manufacturing Sector and a 15% increase in the Supermarket Sector. The Group recorded an operating margin of 7.36% (2024/25: 7.16%) with the Manufacturing and Supermarket Sectors recording operating profit margins of 14.30% and 5.55% respectively.

The Group's finance costs increased by 8% during the year, driven by borrowings undertaken to support investments in new and expanded businesses, higher dividend payout and the impact of the gradual increase in interest rates. Profit Before Tax (PBT) improved by 23% to Rs. 11.08 billion (2024/25: Rs. 9.0 billion) with both Sectors recording significant growth in PBT with the Manufacturing and Supermarket Sectors accounting for 45% and 55% of total PBT respectively. The consolidated Profit After Tax (PAT) increased by 32% to Rs. 7.89 billion for the year ended 31st March 2026 (2024/25: Rs. 5.96 billion). Group's financial position remained strong with net assets increasing by 4% to reach Rs. 24.96 billion as at end-March 2026. Total assets expanded by 13% to Rs. 92.24 billion supported by investments in capacity expansion in the Manufacturing Sector and outlet expansion in the Supermarket Sector alongside higher working capital investments to support volume growth. Total liabilities rose by 16% to Rs. 67.27 billion reflecting an increase in borrowings to support business expansion.

Sustainability Integration

The Group strengthened the integration of sustainability and climate-related considerations by aligning its operations and corporate reporting with the requirements of SLFRS Sustainability Standards S1 and S2. Following an extensive assessment of the Manufacturing and Supermarket Sector value chains, the Group identified 13 material sustainability and climate-related risks and 10 corresponding opportunities. These were integrated into the Group's Enterprise Risk Management framework to enable structured monitoring, effective mitigation and ongoing risk oversight. Overall governance of Sustainability-Related Risks and Opportunities (SRROs) and Climate-Related Risks and Opportunities (CRROs) are led by the Parent entity, John Keells Holdings PLC, with CCS Group integrated into this governance framework. The Group's approach to sustainability integration aligns with the JKH Group's Sustainability Management Framework with clearly defined priorities across environment, social and governance.

Responding to the immediate needs of those affected by Cyclone Ditwah, the Supermarket Sector extended in kind relief amount of Rs. 6.5 million, offered several outlets as temporary relief collection points, and supported 500 pre school children in disaster affected areas through the Pre school Meal Programme. Meanwhile, the Manufacturing Sector donated 45,000 bottles of water and partnered with Cinnamon Hotels and Resorts PLC to provide 2,000 food packs to impacted communities. Collectively, the Manufacturing and Supermarket Sectors extended financial and in kind assistance amounting to Rs. 100 million to support communities affected by Cyclone Ditwah.

The Group prioritised sustainability through renewable energy generation, waste reduction, and plastic recycling initiatives. The Manufacturing Sector opened 2 new Material Recovery Facilities expanding the total network to 17, and through the Elephant House "Gunadamin" Programme, the Sector supported the collection of over 1,115 MT of plastic while Supermarkets adopted solar energy and reduced polythene use aided by the imposition of Government regulations banning the free distribution of polythene bags from 1st November 2025. Efforts also focused on local sourcing and community support, including meal programmes and food waste reduction initiatives benefiting those in need.

Our Team

In 2025/26, CCS created value through a committed workforce and agile execution across financial and non-financial priorities. The Group employed 8,429 people, with remuneration costs of Rs. 15.57 billion, guided by an Employee Value Proposition (EVP) focused on wellbeing, growth, inclusion, engagement, and performance. The Supermarket Sector expanded its training infrastructure, while the Manufacturing Sector advanced innovation-led capability-building initiatives. During the year under review, the Group concluded a structured, Group-wide process to define its EVP, supported by a globally recognised consulting firm. In parallel, the Group partnered with a multinational analytical and advisory company, to conduct its employee engagement survey, generating robust, data-driven insights into employee experience and engagement, and reinforcing its commitment to fostering a high-performance and inclusive workplace. Diversity, inclusion, and safety remained central, supported by ISO 45001:2018 Occupational Health and Safety Management Systems. The Group's commitment to a safe, injury-free work environment remained steadfast, supported by an occupational health and safety framework aligned with ISO 45001:2018 across all premises.

The Supermarket Sector completed the decentralisation of HR operations, enabling deeper engagement with outlet teams, supported by the establishment of modern training facilities and training kitchens at Employee Support Centres. The Manufacturing Sector strengthened capability development through the launch of the "Accelerating Innovation" programme to foster an innovative culture via industry-academic partnerships and focused training. Group investment in training and development amounted to Rs. 148 million in 2025/26, with over 201,019 training hours delivered.

The Group's commitment to a safe, injury-free work environment remained steadfast, supported by an occupational health and safety framework aligned with ISO 45001:2018 across all premises.

Governance

The Group adheres to its Code of Business Conduct and Ethics, which is aligned with the principles of the Code of Best Practice on Corporate Governance 2023. I am pleased to report that there have been no material violations of the Code. Minor instances of non-compliance, identified through our internal monitoring mechanisms, have been addressed and are disclosed in this Report. We remain firmly committed to upholding the Group Code of Conduct and related policies, with a strong emphasis on ethical and lawful practices, and a zero-tolerance stance on corruption, bribery, and any form of harassment or discrimination in the workplace or in any work-related context and expects these standards to be upheld by employees, business partners and suppliers alike.

Integrated Reporting

This Annual Report has been prepared in conformance with the Integrated Reporting Framework of the International Integrated Reporting Council. The Board of Directors is responsible for ensuring the accuracy and integrity of the information presented and confirms, to the best of its knowledge, the credibility, reliability and integrity of the disclosures contained herein. In this regard, external assurance has been obtained from independent auditors, as applicable.

In parallel, the Group has adopted a proactive and forward-looking approach, aligned with Group wide best practices, to transition towards the adoption of SLFRS S1 and S2 reporting standards. Sustainability and climate-related considerations are being progressively embedded into governance processes, decision making and internal reporting, with a phased transition towards enhanced disclosure and accountability. Oversight of this transition is managed centrally at the John Keells Group level, supported by an International external consultant firm, and governed through clearly defined accountability structures.

Outlook

The global economy was expected to sustain the growth momentum observed in CY2025, supported by continued investments in AI and related technologies, which were likely to partly offset the impact of trade barriers and ongoing geopolitical uncertainty. However, the escalation of tensions in the Middle East since late February 2026, together with elevated geopolitical fragmentation and trade-related uncertainties, has introduced renewed downside risks to global growth and contributed to continued volatility in energy markets.

In the local context, the Middle East conflict is expected to affect the Sri Lankan economy through several key channels, particularly through higher energy and fuel prices. While elevated fuel costs will contribute to inflationary pressures and a widening trade deficit, domestic pricing adjustments and demand management measures are expected to help mitigate these impacts, to an extent. Foreign remittances, a key source of foreign exchange inflows, particularly from the Middle East, may moderate in a prolonged conflict scenario, while softer tourism earnings could contribute to some variability in the exchange rate, especially in the event of renewed disruptions to regional air connectivity. The elevated global fuel oil prices will place a significant strain on the total import bill of the country and also result in a cascading impact on prices. While export and service flows have been resilient, the increase in the import bill and resultant trade deficit will place pressure on the currency, as seen recently. The flexible exchange rate policy adopted by the CBSL has resulted the depreciation of the currency, as seen in many economies in the region, which will also compound the impact on prices.

The Rs. 100 billion relief packages announced by the GoSL in April 2026 to subsidise fuel and electricity prices over a three-month period until June 2026, alongside targeted support to stabilise fertiliser costs in the agriculture sector, additional fuel subsidies for the fisheries sector and expanded payments under the "Aswesuma" programme to assist vulnerable communities will help manage cost pressures to some extent. However, an uptrend in inflation is anticipated as CBSL has revised its expectations to reach its target inflation rate of 5%. A commitment to maintaining inflation at these levels through appropriate policy measures has also been reiterated by the CBSL.

Higher import spending amid a decline in earnings from the tourism industry and a potential dip in remittances from workers in Gulf nations could also exert pressure on Sri Lanka's external sector. While the combined fifth and sixth reviews under Sri Lanka's Extended Fund Facility Arrangement with the IMF concluded successfully in April 2026, access to the next tranche under the programme is contingent on the restoration of cost-recovery electricity and fuel pricing. Alongside managing emerging challenges, the nation also needs to address the infrastructure and spending needs related to Cyclone Ditwah. Collectively, these developments may influence Sri Lanka's growth, inflation, external balances, and exchange rate dynamics

in the near term. Nevertheless, the country's ongoing macroeconomic stabilisation trajectory continues to support economic resilience, providing a strong foundation to navigate external uncertainties while sustaining the recovery momentum.

Consumer sentiment is likely to moderate as inflation trends upward, potentially resulting in a contraction in discretionary spending and a shift to more value-based propositions. CCS will monitor these trends proactively and evolve its propositions in both the Manufacturing and Supermarket Sectors in line with consumer expectations.

Manufacturing Sector

The Manufacturing Sector is expected to face challenges during the first half of 2026/27, with potential moderation in consumer discretionary spending poses downside risks to volume growth with the prevailing favourable weather could offset this impact to some extent. A notable increase in key input costs, driven by global market price escalations and depreciation of the Rupee, elevated fuel prices, electricity tariffs and freight charges is expected to exert pressure on margins in the first half of 2026/27. Both the Beverages and Confectionery categories will proactively monitor their margins and take necessary action with due consideration to the price elasticity of demand for its product portfolio.

Looking beyond, the Manufacturing Sector envisages stronger growth momentum in the second half of 2026/27 anticipating an abatement in the economic effects of the Middle East conflict and gradual easing in global energy and commodity prices. The relatively lower penetration levels of consumer food products, in Sri Lanka, compared to global and regional peers is also expected to support growth over the medium to long term.

Beverages

The Beverages category is expected to maintain its growth momentum in 2026/27, supported by sustained demand for core CSD flavours and incremental contributions from recently launched products, including energy drinks. Building on the strong performance recorded in 2025/26 during which the category achieved double-digit volume growth for the second consecutive year, the focus will remain on consolidating the CSD portfolio while expanding the non-CSD range to address evolving consumer preferences and consumption occasions. Investments have been made in machinery to revamp and expand the fruit juice portfolio, with commissioning expected during 2026/27.

Consumption trends are expected to continue shifting towards PET packaging and cans, while smaller pack sizes are likely to remain relevant in an affordability-conscious consumer environment due to their value-led pricing and on-the-go convenience. Distribution remains a key strength, supported by an expanded channel presence and targeted initiatives to enhance weighted and numeric distribution, strengthening product availability and market reach. Competitive intensity is expected to remain elevated, necessitating sustained investment in brand building, trade marketing and consumer engagement, alongside innovative brand activations supported by refreshed packaging and strong associations with national-level sports, music and cultural events.

The franchise partnership with Reliance Consumer Products Limited (RCPL) continues to progress on two fronts. Locally, the partnership has strengthened the Sri Lankan beverage portfolio through new "Campa" CSD flavours and energy drink variants, enhancing choice, innovation and value. In India, the partnership focused on the manufacturing, marketing and distribution of Elephant House beverages has gained initial traction, particularly in South India, providing a scalable platform for long-term growth and strategic optionality despite currently modest profitability contributions.

The Beverages category remains well positioned to manage near-term margin pressures arising from input cost volatility, underpinned by ongoing capacity enhancements, active portfolio optimisation and disciplined cost management. Investments in manufacturing capability and distribution infrastructure are expected to support improved operating leverage and margin resilience over the medium term, while targeted brand investments continue to strengthen market relevance and consumer engagement. The category's extensive and well-established distribution network further enhances market reach and execution effectiveness, reinforcing volume momentum across channels. Sustained investments in technology and advanced data analytics continued to enhance strategic decision-making, improve cost efficiencies, and strengthen distribution effectiveness, while the continued focus on environmental stewardship and community empowerment supported long-term sustainability, competitiveness, and resilience within the Beverage category.

Confectionery

The Confectionery category is expected to build on the positive trajectory achieved in recent periods, supported by improving consumer sentiment and strong momentum from product innovation. Near term growth is anticipated to be driven primarily by improved performance in the single serve segment, following the successful introduction of extruded products and premium offerings. The single serve segment is expected to deliver robust volume and value growth, underpinned by heightened consumer engagement and a steady pipeline of new product launches.

Demand for multi serve formats is expected to remain resilient, supported by a balanced portfolio strategy and the planned introduction of mid range premium variants across selected flavours. Sustained market excitement will be driven by continuous innovation and regular refreshment of

the product portfolio, including the launch of multiple new products aimed at strengthening brand relevance and single serve segment led consumption.

From a geographic perspective, the category intends to expand into new markets while deepening penetration in Australia. Overall, the Confectionery category remains well positioned to capitalise on improving demand conditions through portfolio optimisation, innovation and selective international expansion, while proactively managing margin and affordability dynamics.

Supermarket Sector

The Supermarket Sector's performance is expected to demonstrate greater resilience in the present context as essential and household items constitute a large proportion of the average consumer basket. Our extensive private label product range, and direct import strategy for everyday essentials will deliver value to customers seeking more affordable options.

The expansion of the outlet network, a customer centric product range and a relentless focus on freshness, quality and affordability is expected to support growth in footfall while the Sector's omni-channel approach to accessibility is anticipated to support expansion in same store sales. The food service and prepared food range are expected to remain key growth drivers with significant improvements planned across range, quality, availability and affordability. The transition from general trade to modern trade is also expected to augur well for the Sector in the year ahead.

Centralised distribution and robust supply chain practices will continue to support economies of scale with benefits passed through to customers through improved pricing. This strategy also affords better control over product quality, particularly in the fresh category, while minimising waste and enhancing product traceability. The Supermarket Sector also remains committed to developing local farmer communities which will enable the consistent availability of high-quality fresh produce at competitive prices while empowering local communities. Further advanced data analytics initiatives, focused on improving strategic decision-making and driving operational efficiency, will also remain priorities for the year ahead.

Dividend

The Company declared three interim dividend payments of Rs. 0.99, Rs. 1.21 and Rs. 1.48 per share, which were paid in July 2025, October 2025 and January 2026, respectively. The Board has also declared a final dividend of Rs. 3.34 per share, bringing the total dividend for the FY 2025/26 to Rs. 7.02 per share. Accordingly, total dividends distributed from profits for the year amounted to Rs. 6.67 Bn, representing a payout ratio of 85%.

Board and Leadership Updates

Ms. Sharmini Ratwatte and Ms. Shanthi Wilson, who were Independent Non-Executive Directors of the Company, retired from the Board of Directors of the Company upon completing nine years on the Board, effective from and upon the conclusion of the Annual General Meeting held on 20th June 2025. I wish to place on record our deep appreciation for the invaluable contribution made by them during their tenures on the Board.

Acknowledgements

I take this opportunity to thank the employees of the CCS Group for the exceptional performance delivered during the year under review. On behalf of the Board and our employees, I thank all our valued stakeholders, including customers, distributors, suppliers, business partners and shareholders for their continued trust and loyalty. I also extend my gratitude to my colleagues on the Board, for their valuable counsel and support.



Krishan Balendra
Chairperson

25th May 2026

WHO WE ARE

Ceylon Cold Stores PLC is a leader in the manufacture and distribution of beverages and confectionery products, while also operating one of Sri Lanka's leading supermarket chains. A relentless focus on evolving Manufacturing Sector's extensive product portfolio and iconic brands in line with shifts in the consumer landscape while preserving its rich heritage of over 160 years, has sustained the Group's relevance in a highly competitive industry. An extensive island-wide distribution network and advanced technology capabilities continue to strengthen the Group's competitive edge. The Group's Supermarket arm, operated by its subsidiary, Jaykay Marketing Services (Pvt) Ltd (JMSL), is a leader in Sri Lanka's modern trade industry with an islandwide presence of 147 outlets and offers Sri Lankans a best-in-class retail experience.



Supermarkets

The Supermarket Sector offers customers a best-in-class retail experience exemplified by customer-centred value propositions, an omnichannel service approach, world-class retail technology and service excellence.

'Most Loved Supermarket Brand in 2025'
(LMD, 2025)



Manufacturing

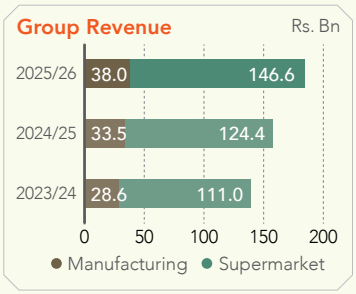
Through its Manufacturing Sector, CCS innovates its product portfolio to offer customers an extensive range of beverages and confectionery products that cater to diverse preferences, ages and occasions.

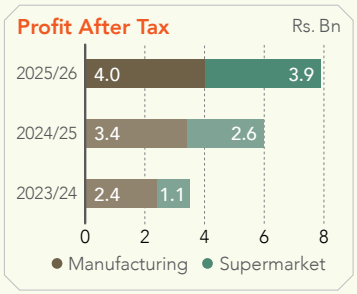
'Sri Lanka's Most Valuable Non-alcoholic Food & Beverage Brand 2025'
(Brand Finance, 2025)

147	>2.8 Mn	14%	31	17%	10%
Outlets	Keells Nexus customers	Increase in customer footfall	New products launched	Beverage revenue growth	Confectionery revenue growth

Performance Highlights 2025/26

Group revenue Rs **184.6** Bn (+17%)	Group profit after tax Rs **7.9** Bn (+32%)
Group assets Rs **92.2** Bn (+13%)	Market capitalisation Rs **97.9** Bn (+26%)
Return on equity **32.15** % (+5.43%)	Dividend yield **5.5** % (+0.26%)





A strategy focused on sustainable value creation

Our strategy, defined through five key pillars, aims to create sustainable value for key stakeholders while responsibly managing our environmental impacts.

Sustainable Growth

Achieved through investments in state-of-the-art technology, capacity enhancement, deeper market penetration and strategic market expansion.

Fulfilling the Customer Promise

We leverage deep market insights to ensure our value propositions aligned with customer needs and expectations.

Empowered Team

Our highly skilled team over 8,429 employees are committed to delivering on our strategic aspirations.

Managing the Value Chain

Collaborative partnerships with over 3,600 suppliers, 13,064 farmers and >100,000 retail outlets (Manufacturing) that support mutual value creation.

Sustainable and Responsible Organisation

Minimising our environmental impacts while empowering local communities through local procurement and impactful CSR initiatives.

Our strategic pillars are underpinned by an advanced technology strategy that effectively integrates systems, advanced data analytics and Artificial Intelligence to strengthen our competitive advantage.

HISTORY AT A GLANCE - CCS

1866

Founded and managed by the illustrious Arthur Von Possner as Colombo Ice Company, which imported and used the country's first ice making machine. Commencing operations in the ice business at the time, Colombo Ice Company began with an initial capital of £ 1,600, a considerable amount at the time with a staff of 22 people and 2 steam engines for production.



1883

Introduced Aerated Water with the distinctive "Elephant" trademark on the bottles, which remains a popular household name for the brand.

1894

Tom Walker, owner of a competing Company, purchased Colombo Ice Company and merged the two companies under the name New Colombo Ice Company.

1921

Introduction of crown corks to the Aerated Water business.

1925

The Company commenced building cold storage for various types of frozen products.

1932

Ceylon Creameries Limited was acquired to produce and distribute reconstituted fresh milk and ice cream.

1934

- New Colombo Ice Company purchased Ceylon Ice and Cold Storage Company.
- Cafe established at Fountain House.

1935

- Carbonic acid gas plant installed to make Carbon dioxide and dry ice.
- Ice Cream in bulk form was produced in four gallon buckets.

1941

New Colombo Ice Company changed its name to Ceylon Cold Stores Limited.

1950

New soft drinks factory commenced operations in Glennie Street, Slave Island.

1965

Re-introduction of Ice Palam.

1970

In January, the Company was quoted on the Colombo Stock Exchange.

1991

The Company came under the umbrella of John Keells Holdings Limited with the acquisition of the Whittalls Group in 1991.

2024

- CCS acquired a new PET bottling and can manufacturing plant in Ittapana.
- CCS entered into a franchise agreement with Reliance Consumer Products Limited (India) to manufacture, market and sell Elephant House carbonated soft drinks in India.
- CCS Elephant House soft drinks launched cans to the market.



2010

- The Elephant House Brand relaunched.
- Introduction of KIK Cola in December.

2018

The Colombo Ice Company (Pvt) Ltd was opened on 24th of May and commenced commercial operation.



2026

- CCS marked its 160th anniversary.
- The Company expanded its Confectionery portfolio with extruded single-serve products.
- CCS partnered with Reliance Consumer Products Ltd. to introduce Campa beverages to Sri Lanka.
- Elephant House expanded into Australia, marking its first confectionery production outside Sri Lanka.



2013

CCS Head Office relocation from Justice Akbar Mawatha offices to Vauxhall Street.

2021

CCS acquired a water bottling plant in Kotagala.

2016

CCS celebrated its 150th Anniversary.

1998

The Company significantly enhanced its production capacity by installing a modern bottling plant at the Kaduwela factory.



2025

- CCS Head office premises was relocated to The Offices at Cinnamon Life in November 2024.
- CCS introduced the new brand VIBE (CSD fruity flavoured can range) to the market.





HISTORY AT A GLANCE - JMSL

1991

1st Outlet opened at Liberty Plaza.



2011

Reached Rs. 10 billion annual turnover.

2002

Launched www.keellssuper.com, the first ever online supermarket in Sri Lanka.

2014

Launched Nexus Mobile, Sri Lanka's first independent cardless lifestyle loyalty programme.

2013

Relocation of the Glennie Street office to Vauxhall Street.

2015

- Nexus Network (Pvt) Ltd merged its operations with JMSL.
- Reached Rs. 20 billion annual turnover.



2016

- JMSL celebrated its 25th Anniversary.
- Reached 50 stores with the opening of Pepiliyana outlet.

2017

- JMSL opened 15 new stores during the year.
- Reached Rs. 30 billion annual turnover.

2018

- JMSL opened 23 new stores during the year.
- Reached Rs. 38 billion annual turnover.
- Rebranded as "Keells".

2019

- JMSL opened 18 new stores during the year.
- Inclusion of prepared Food Service in 35 outlets.
- JMSL opened its 100th outlet in Miriswatte.

2020

Vendor collaboration portal project "KANE" completed and launched by JMSL.

2021

JMSL introduced a self-checkout machine at its Union Place outlet - the first in Sri Lanka.

2022

- Converted its Maharagama Supermarket outlet to have an all-female staff serving customers.
- JMSL launched the third largest warehouse facility in the country at Kerawalapitiya.



2023

- JMSL launched its first WhatsApp channel.
- JMSL opened 4 new stores.
- Reached Rs. 100 billion in annual turnover.

2025

JMSL opened 6 new stores.

2026

- JMSL opened 9 new stores, increasing its nationwide network to 147 outlets.
- Launched the Nexus Loyalty App.
- Opened its 10th Collection Centre in Norochcholai.
- JMSL established the EV charging network across 43 outlets.


Orange Crush
Elephant House
Elephant House
Orange Crush
250 ml
NET CONTENT
ORANGE CRUSH
Taste that hits
Fizz that lifts

YEAR AT A GLANCE 2025-26

April 2025

- CCS and JMSL teams celebrated the Sinhala and Tamil New Year with annual festive events.
- The Beverage Category launched the "Avurudde Ape Sadde" campaign, featuring a virtual reality Avurudu festival.
- CCS Confectionery Category launched the "House House" brand, refreshing its positioning among youth audiences.
- Passion Fruit flavour was introduced to the Ape Rasa range of the Confectionery category.
- CCS conducted a clean-up programme during the Sacred Tooth Relic Exposition in Kandy, in partnership with the Sri Dalada Maligawa Media Unit.
- A new Frozen Distribution Centre was commissioned by JMSL, enhancing cold chain efficiency.
- JMSL opened the New Katugasthota 2 store.

Outlet Opened 01



"Avurudde Ape Sadde" campaign

May 2025

- CCS Ranala plant celebrated Vesak with a lantern competition.
- "Gunadamin" Elephant House programme conducted a beverage dansala and plastic collection drives at Sirasa Namami & Gangarama Vesak Zones.
- A mindfulness session was held at CCS Ranala plant to support employee well-being.
- Elephant House "Superheroes" Season 3 was launched on Sirasa TV.
- Elephant House Beverages partnered with Sri Lanka Cricket as the Official Carbonated Beverage Partner.
- CCS Beverages Category held its Annual Sales Conference for 2024/25.
- JMSL launched its first pilot run under Project "Moonshot" at the Darley Road outlet, focusing on infrastructure development for prepared food.
- The Keells "Million Rush" campaign was launched for lucky shoppers to win weekly cash prizes.



Annual Sales Conference Beverages Category

June 2025

- CCS Confectionery Category launched the Sales Management Masterclass to strengthen sales leadership capabilities.
- CCS signed an MoU with the University of Peradeniya to strengthen industry-academia collaboration.
- CCS Confectionery Category held its Annual Sales Conference for 2024/25.
- The Beverage Category conducted Poson season activations across Anuradhapura and Mihintale.
- "Gunadamin" Elephant House programme together with Clean Sri Lanka initiative, conducted "Katharagama Paada Yaathra" activation to eliminate plastic waste.
- Keells was featured in Supermarket News magazine of New Zealand.
- JMSL opened new Andiambalama and Udahamulla stores.

Outlets Opened 02

July 2025

- CCS's "Beyond the Desk" experiential learning initiative was launched to broaden employees' understanding of Consumer Foods' sector-wide operations.
- CCS Confectionery Category launched thematic out-of-home activations with IMORICH and Wonder brands for World Ice Cream Day.
- A new IMORICH HoReCa-exclusive ice cream range was debuted with unique flavours; Coffee Grande, Red Velvet, Mixed Berry Cheesecake and Coconut Bliss.
- Aspire 2025, the Executive Development Programme of CCS, was launched in collaboration with the Postgraduate Institute of Management.
- Through the "Gunadamin" programme, Elephant House carried out community and environmental initiatives during the Katharagama Esala Festival.
- CCS Beverage Category launched the Lemonade campaign "Jaya Pipasaye Hadagasma".
- EGB Kaama Kalawa event was held in Mawathagama.
- JMSL launched the "Nawum Bawai Aduma Milai" campaign.



"Jaya Pipasaye Hadagasma" Lemonade campaign

August 2025

- Campa beverage range was introduced to Sri Lanka by CCS in partnership with Reliance Consumer Products Ltd.
- The "Stick eke Luck eka" promotional campaign was launched by CCS Confectionery Category.
- CCS Confectionery Category relaunched classic Orange and Pineapple flavours.
- CCS signed an MoU with the University of Moratuwa.
- CICL organised its Annual Staff Excursion at Weligama Bay Marriott Resort & Spa.
- CCS Supply Chain Excellence Awards Ceremony was conducted successfully.
- CCS's "Gunadamin" programme environmental initiatives were conducted during the Kandy Esala Perahera.
- JMSL partnered with Uber Eats for grocery delivery services.
- A children's mural titled "The Jaffna I Love" was conducted by JMSL at the Nallur Festival, promoting environmental conservation.



Nallur festival organised by JMSL

September 2025

- CCS was the Exclusive Beverage Partner at the Annual International Book Fair.
- The "World Flavourites" campaign was launched by JMSL, highlighting its range of globally inspired flavours.
- JMSL opened the Kotugoda store.

Outlet Opened 01

October 2025

- CCS Confectionery Category launched the Seasonal Payasam Cup for Diwali.
- CCS Confectionery Category IMORICH 500ml pack range was launched to enhance household penetration.
- In CCS single-serve Confectionery range was rebranded under Wonder.
- CCS conducted "Wings of Calm", a mindfulness and self-reflection session at Ranala factory.
- CCS supply chain and support services teams took part in the Annual Executive Staff Excursion at Weligama Bay Marriott Resort & Spa.
- CCS Beverages Category EGB partnered with major Oktoberfest events in Colombo.
- JMSL opened new stores at Athurugiriya and Kahathuduwa.

Outlets Opened 02



Outlet opening at Athurugiriya

November 2025

- "Beyond the Factory" quality initiative was launched by CCS.
- JMSL launched its own-label promotional campaign, "Keells products from Keells to cart - Pick it & Drop it".



Keells "Pick it Drop it" campaign

December 2025

- CCS Confectionery Category marked its official launch in Australia at Novotel Melbourne Glen Waverley, introducing Vanilla, Karutha Kolomban and Fruit & Nut flavours.
- CCS launched new flavours under IMORICH super-premium gelato range; Biscoffi Crumble and Salted Caramel.
- CCS Confectionery Category Toffee Caramel limited edition flavour was launched for the festive season.
- CCS & JMSL conducted flood relief and community support initiatives for the communities affected by Ditwah cyclone.



Flood relief initiatives for Ditwah affected communities

YEAR AT A GLANCE 2025-26

January 2026

- Marking 160 years, CCS welcomed the dawn of 2026 with religious and cultural celebrations.
- CCS Confectionery category launched extruded Ice cream products with premium sticks and shaped variants.
- A new cone baking line at CICL commenced operations.
- The new blow molding facility at CCS Ranala Beverages plant commenced commercial production.
- Environmental awareness boards were established through Elephant House "Gunadamin" programme in the Sri Pada area.
- EGB Kaama Kalawa event was held at Galle Face Green.
- CCS participated in Gulfood 2026, held at the World Trade Centre and Expo City in Dubai, UAE.
- JMSL opened the Madapatha outlet.

Outlet Opened 01



EGB Kaama Kalawa event

February 2026

- CCS Confectionery Category conducted the "Treats for Trash" campaign, encouraging clean grounds at school big matches.
- Under the Elephant House "Gunadamin" programme, environmental and community awareness engagements were carried out in Hiniduma and Gampaha.
- CCS Beverage Category sponsored school big match seasons, front-facing the Lemonade brand.
- JMSL launched the Nexus Loyalty App.
- JMSL's 10th collection centre for fresh produce was opened in Norochcholai.



Big match sponsorships with Lemonade brand

March 2026

- CCS Confectionery Category launched the "Yanna Rasa Wate" campaign, inspired by the segment's journey of locally inspired flavours.
- CCS conducted its Annual Stationery Donation Programme, supporting 150 children of dairy farmers.
- Women empowerment initiatives were launched by Elephant House "Gunadamin" programme in Gampaha and Batticaloa areas.
- CCS Beverages Category launched "EGB South Tourism Activation" campaign.
- Women's Day initiatives were conducted by CCS, under the theme "Give to Gain".
- JMSL opened new stores in Mattegoda and Ja-Ela Kapuwatta.

Outlets Opened 02



"Yanna Rasa Wate" campaign by Confectionery Category

AWARDS AND CERTIFICATIONS

Drum APAC Awards 2025

JMSL received Silver for the AI video commercial done as a part of the "Ada Keells Eken Kamu" social media campaign at the Drum APAC Awards in Singapore.



Effie Awards Sri Lanka 2025

JMSL secured a Bronze Award for Influencer Marketing & One Merit Award for Performance Marketing at Effie Awards Sri Lanka 2025.

SLIM DIGIS 2.5

JMSL won the Silver Award for Best Performance Marketing Campaign - Keells Branded Products, Bronze Award for Best use of Creator/Influencer Content – "Keells Freshness: Sounds Like Freshness" in SLIM DIGIS 2.5.

JMSL won two Merit Awards for Best use of Digital in a Marketing Campaign for E-Commerce/ Online Based Businesses and Best use of Digital in a Marketing Campaign for Retail in SLIM DIGIS 2.5.



Best Management Practices Company Awards 2025

JMSL was recognised at the Best Management Practices Company Awards 2025, organized by the Institute of Chartered Professional Managers of Sri Lanka as the Winner in Supermarkets, Malls, and Shopping Complexes Category & named as one of the Twenty Outstanding Companies.

Meta Reel Awards 2025

JMSL received the Reels Impact Award 2025 for Best Innovation & Generative AI by Meta at the Meta Reel Awards 2025 for "Ada Keells Eken Kamu" campaign.



National Quality Awards

JMSL received a Merit Award at the National Quality Awards, Sri Lanka's premier platform for recognising excellence in Quality Management.



LMD's Brands Annual 2025

Elephant House was awarded Product Brand of the Year, second place at LMD Awards Night 2025.



National Supply Chain Excellence Awards 2025

CCS won the Best Supply Chain Practicing Organisation (Commendation Award) in the Extra Large - Manufacturing Category at the National Supply Chain Excellence Awards Ceremony 2025.

Forbes Marshall Energy Savings Champion Awards

The Colombo Ice company (Pvt) Ltd won the 5th Forbes Marshall Energy Savings Champion Award 2024.

JASTECA Awards 2025

The Colombo Ice Company Pvt Ltd won the Bronze Award in the 5S – Medium Category at the JASTECA Awards 2025.



National Quality Award 2025

CCS won Sri Lanka National Quality award 2025 for the Category of Large Scale - Manufacturing organised by Sri Lanka Standards Institution (SLSI).



SLIM National Sales Awards 2025

CCS secured a total of 23 awards, including 6 Gold, 8 Silver, 5 Bronze and 4 Merit, at the SLIM National Sales Awards 2025 across Beverages, Confectionery, Export and the Overall Industry categories.



AWARDS AND CERTIFICATIONS

SLIM Brand Excellence Awards 2025

Elephant House Ice Cream was crowned Brand of the Year and won the Gold Award for Product Brand of the Year at the SLIM Brand Excellence Awards 2025.



Superbrands Sri Lanka Status 2025

Elephant House Ice Cream was recognised with Superbrands Sri Lanka Status 2025.



NCE Export Awards 2025

CCS secured the Gold Award in the Large Category - Confectionery Products Sector at the NCE Export Awards 2025.



JKH Chairperson's Awards 2025

CCS won the Chairperson's Special Award for Sustainability Initiative for its Energy Saving Drive.



SLIM-KANTAR People's Awards 2026

Elephant House Cream Soda won People's Beverage Brand of the Year at the SLIM-KANTAR People's Awards 2026.



People's Pinnacle Awards 2025

Elephant House "Superheroes" programme won the People's Pinnacle award for the Best Educational programme in 2025.



TAGS Awards

CCS won the Gold Award for the Best Annual Report in the Food & Beverages Category at the TAGS Awards 2025 organised by CA Sri Lanka.

CCS won the Bronze Award for Corporate Governance Disclosure - Non-Financial Services at the TAGS Awards 2025.



ACCA Sustainability Reporting Awards 2025

CCS won in the Food & Beverages Category at the ACCA Sustainability Reporting Awards 2025.



Certifications

	CCS - Ranala	CICL - Seethawaka	CCS - Other Locations	JMSL	LPIL
Quality Awards/ Certifications for Food and Beverages	ISO 9001:2015 Quality Management System Certifications for the Beverages and Confectionery plants	ISO 9001:2015 Quality Management System Certification	SLS 729: 2010 Certification for Fit-O branded ready to serve fruit drinks		ISO 9001:2015 Quality Management System Certification for inbound operation, warehousing & dispatch
	ISO 22000:2018 Food Safety Management System Certifications for the Beverages and Confectionery plants	ISO 22000:2018 Food Safety Management System Certification	ISO 22000:2018 Food Safety Management System Certification for the bottled drinking water plant		
	SLS 223: 2017 Certification for Elephant House branded ice creams	SLS 223: 2017 Certification for Elephant House branded ice creams	ISO 9001:2015 Quality Management Systems Certification for the bottled drinking water plant		
	SLS 183: 2013 Certification for Elephant House branded carbonated Beverages	SLS 967: 2023 Certification for Elephant House branded Frozen Confectionery products	SLS 894:2020 Certification for Elephant House branded bottled drinking water		
	SLS 183: 2013 Certification for KIK branded carbonated Beverages	Halal Certification for Frozen Confectionery products	SLS 183: 2013 Certification for Elephant House branded carbonated beverages manufactured at external locations		
	Halal Certification for Elephant House Frozen Confectionery products and non-carbonated Beverages.		ISO 9001:2015 Quality Management Systems Certification for the carbonated beverages manufactured in Can and PET		
			ISO 22000:2018 Food Safety Management System Certification for the carbonated beverages manufactured in Can and PET		
			SLS 183: 2013 Certification for Elephant House branded carbonated beverages packed in cans		
			Halal certification for Fit-O branded fruit drinks		
			FSSC 22000 – Other (Twistee & Fit-O branded flavoured fruit drinks)		
			SLS 971: 1992 Certification for Elephant House branded tube ice		
Occupational Health and Safety related Certifications	ISO 45001: 2018 Occupational Health and Safety Management System Certification	ISO 45001: 2018 Occupational Health and Safety Management System Certification		ISO 45001: 2018 Occupational Health and Safety Management System Certification	ISO 45001: 2022 Occupational Health and Safety Management System Certification
Environment related Certifications	ISO 14001: 2015 Environmental Management System Certification	ISO 14001: 2015 Environmental Management System Certification		ISO 14001: 2015 Environmental Management System Certification	
Good Manufacturing Practices				SLS 956: 2016 – Code of hygienic practice for catering establishments	
Supermarkets Management System				SLS 1432:2011 Supermarket Management System Certification	SLS 1432: 2011 Supermarket Management System Certification
Energy Management	ISO 50001:2018 - Energy Management System Certification				

KEY MILESTONES

A Legacy of 160 Years

Ceylon Cold Stores PLC welcomed 2026 as CCS marked its 160th anniversary. Entering this milestone year reflects both continuity and renewal, while reinforcing Elephant House's enduring legacy of trust, quality, and responsibility.



Extending the Global Footprint

Elephant House Ice Cream was launched in Australia at Novotel Melbourne Glen Waverley, marking the first Confectionery production of the brand outside Sri Lanka. Local manufacturing in Melbourne commenced through a strategic partnership with Millennium Imports.

The initial rollout featured a 500ml tub range, combining classic favourites, including Vanilla, Karutha Kolomban and Fruit & Nut.



Introducing Campa to Sri Lanka

Elephant House Beverages, in collaboration with Reliance Consumer Products Ltd., introduced the iconic Campa beverage range to Sri Lanka, marking a new phase in the partnership between the two organisations. The portfolio includes Campa Cola, Lemon, Orange, and energy drinks, expanding the Company's offerings to cater to evolving consumer preferences.



Redefining Ice Cream Innovation

Elephant House Ice Cream enhanced its innovation capabilities with the introduction of a new extruded production line at its Seethawaka facility, incorporating advanced extruded forming technology to create multi-textured and precision-shaped products. This enabled the launch of a new range of ice cream novelties under the Wonder and IMORICH brands.

Seven new extruded SKUs were introduced in January 2026, featuring fruit-shaped novelties and a premium sticks range, strengthening product innovation and supporting evolving consumer preferences.



Inspiring The Next Generation

Elephant House Superheroes Season 3 officially launched in May 2025, bringing even more excitement and inspiration to audiences across the country. Organised by Elephant House in collaboration with Keells Krest, Cinnamon Hospitality Academy, and John Keells Research, the programme showcased the exceptional talents of Sri Lankan youth across three unique categories with participation from more than 135 schools across Sri Lanka.



Strengthening Academia–Industry Partnerships

CCS entered into a Memorandum of Understanding with the University of Peradeniya and the University of Moratuwa to strengthen academia–industry collaboration.

These partnerships focus on advancing research and development, enhancing skills development, and building a future-ready talent pipeline through industry-aligned initiatives.



Showcasing CCS on the Global Stage

CCS participated in Gulfood 2026 in Dubai, one of the world's largest food and beverage trade exhibitions, providing a platform to showcase its Elephant House product portfolio.

The participation strengthened relationships with existing partners while creating opportunities to engage new collaborators, supporting CCS's continued international expansion.



Strengthening Fresh Produce Supply Chain

JMSL opened its 10th Collection Centre in Norochcholai, improving sourcing efficiency, quality assurance, and distribution of fresh produce. The initiative also supports local farming communities and regional economic development.



Advancing Omnichannel Retail

JMSL partnered with Uber Eats to launch Uber Grocery, expanding delivery services across 75+ stores and enhancing customer convenience. This initiative strengthened omnichannel capabilities through improved order fulfilment and more efficient store operations.



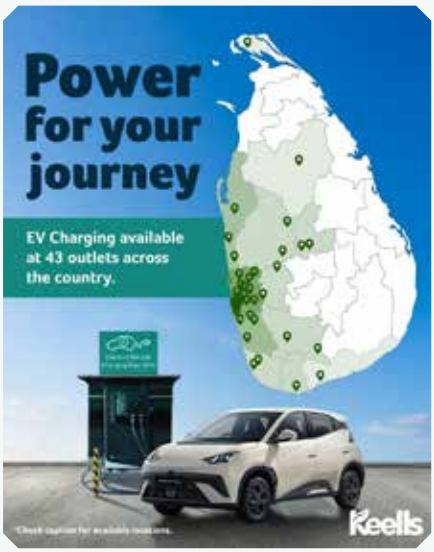
Enhancing Customer Digital Experience

JMSL launched the Nexus Loyalty App, enabling real-time access to offers, rewards, and personalised features. This marks a key step in strengthening digital engagement and enhancing customer experience.



Expanding Sustainable Mobility Infrastructure

JMSL expanded its Electric Vehicle (EV) charging network across 43 outlets, supporting convenient and sustainable mobility solutions. This initiative reflects a continued commitment to reducing environmental impact and investing in future-ready infrastructure.



BOARD OF DIRECTORS



KRISHAN BALENDRA N P

GIHAN COORAY H P

DAMINDA GAMLATH

RENUKA FERNANDO A H N R

KRISHAN BALENDRA

Non-Executive - Non-Independent Director/ Chairperson

Krishan Balendra was appointed to the Board of Ceylon Cold Stores PLC, on 1st January 2018 and was appointed as Chairperson on 1st January 2019.

Krishan is the Chairperson-CEO of John Keells Holdings PLC. He is also the Chairperson of the Ceylon Chamber of Commerce and the Hon. Consul General of the Republic of Poland in Sri Lanka. He is a former Chair of the Employers' Federation of Ceylon, Nations Trust Bank and the Colombo Stock Exchange.

Krishan started his career at UBS Warburg, Hong Kong, in investment banking, focusing primarily on equity capital markets. He joined JKH in 2002. He holds a law degree (LLB) from the University of London and an MBA from INSEAD.

GIHAN COORAY

Non-Executive - Non-Independent Director

Gihan Cooray was appointed to the Board of Ceylon Cold Stores PLC on 1st of January 2018.

Gihan is the Deputy Chairperson/ Group Finance Director and has overall responsibility of the Group's Finance and Accounting, Taxation, Corporate Finance and Strategy, Treasury, Information Technology and Corporate Communications functions. He is a former Chair of Nations Trust Bank PLC. Gihan holds an MBA from the Jesse H. Jones Graduate School of Management at Rice University, Houston, Texas. He is a Fellow Member of the Chartered Institute of Management Accountants (UK), a certified management accountant of the Institute of Certified Management Accountants, Australia and has a Diploma in Marketing from the Chartered Institute of Marketing (UK). He serves as a committee member of The Ceylon Chamber of Commerce.

DAMINDA GAMLATH

Executive Director

Daminda Gamlath was appointed to the Board of Ceylon Cold Stores PLC on 1st November 2017.

Daminda is the President of the JKH Consumer Foods Industry Group and has been with the John Keells Group since 2002. He was the Sector Financial Controller for the Information Technology Sector and the JKH Consumer Foods Industry Group before he was appointed as the Head of Beverages in 2013 and the Sector Head in 2017. Prior to joining the John Keells Group, he worked at the Hayleys Group. Daminda holds a B.Sc. in Engineering from the University of Moratuwa, an MBA from the University of Colombo and is a passed finalist of the Chartered Institute of Management Accountants (UK).

RENUKA FERNANDO

Non-Executive - Independent Director

Renuka Fernando was appointed to the Board of Ceylon Cold Stores PLC, on 19th June 2024 and is the Chairperson of the Human Resources and Compensation Committee and Nominations and Governance Committee.

Renuka is an Associate of the Chartered Institute of Bankers (UK) and also an Alumni of the Advanced Management Programme at Harvard Business School. She currently serves as the Group Chief Digital Services Officer of Dialog Axiata PLC and was appointed as the Chairperson of Dialog Finance PLC in May 2020. She is a highly experienced business leader with 41 years of expertise in the banking sector, with special focus on Digital Banking.

Prior to joining Dialog Axiata PLC in April 2020, she headed Nations Trust Bank PLC (NTB) as the Director/CEO from 2012. Her previous experience includes positions as Vice President/ Head Global Transactional Services and Head of Consumer Banking at ABN AMRO Bank N.V, Sri Lanka, as well as Manager Corporate Banking at Banque Indosuez, Sri Lanka and at Nederlandsche Middenstands Bank - Hong Kong.

Renuka has also functioned as the Vice President of the American Chamber of Commerce and has previously served as Director of Lanka Clear (Pvt) Ltd and Chairperson of the Sri Lanka Bankers Association.

CHARITHA SUBASINGHE

Non-Executive - Non-Independent Director

Charitha Subasinghe was appointed to the Board of Ceylon Cold Stores PLC on 1st January 2021.

Charitha is responsible for the Retail Industry Group at JKH. He has been with the John Keells Group since 2003. He was the Sector Financial Controller of the Supermarket business, before being appointed as the CEO in 2005. He was also employed at Aitken Spence Hotel Management as the Sector Financial Controller before moving over to John Keells Group. He is an Associate Member



CHARITHA SUBASINGHE



HARIN DE SILVA WIJEYERATNE

A R



SHIVAAN KANAG-ISVARAN

A H N R



NELINDRA FERNANDO

of the Chartered Institute of Management Accountants (UK) as well as a Diploma Holder of the Chartered Institute of Marketing (UK). He also holds an MBA from the University of Colombo.

HARIN DE SILVA WIJEYERATNE

Non-Executive - Independent Director

Harin De Silva Wijeyeratne was appointed to the Board of Ceylon Cold Stores PLC, on 1st January 2025.

Harin is a Fellow Member of the Chartered Institute of Management Accountants (UK) and an Associate Member of The Institute of Chartered Accountants of Sri Lanka.

He has over 32 years of experience in general management, financial management, and auditing, having worked at Investcorp Bank, Bahrain, Grindlays Bahrain Bank, Ernst & Young, Bahrain, and Ernst & Young, Sri Lanka. He was the Chief Executive Officer of the Sri Lanka Institute of Nanotechnology (Pvt) Limited (SLINTEC) for over five years and a consultant for ZONE 24x7, an IT company specialising in data analytics and machine learning.

Harin currently serves as a Non-Executive Independent Director of Trans Asia Hotels PLC, where he chairs both the Board Audit and Related Party Transactions Review Committees. He also holds positions as a Non-Executive Independent Director at DFCC Bank PLC and Ceylon Tobacco Company PLC, serving as Chairperson of the Audit Committee. Harin is the Founder of Avastha Financial Advisory Services (Pvt) Ltd, a Co-Founder of Kalyana (a mental well-being initiative), and a Director of the Gamani Corea Foundation. Additionally, he chairs the Audit Committee of MAS Holdings.

SHIVAAN KANAG-ISVARAN

Non-Executive - Independent Director

Shivaan Kanag-Isvaran was appointed to the Board of Ceylon Cold Stores PLC, on 19th June 2024.

Shivaan is a Barrister-at-Law of Lincoln's Inn and an Attorney-at-Law of the Supreme Court of Sri Lanka. He holds a law degree from the University of Warwick and a Master's in International Business Law from the London School of Economics.

Shivaan maintains an extensive civil practice in both original and appellate courts, specialising in Constitutional, Corporate, Intellectual Property, Banking and Finance, Telecommunication, and Tax Law. He represents clients in International Commercial Arbitration proceedings both locally and internationally, and advises on infrastructure and construction projects.

He is an Accredited Mediator with the Singapore International Mediation Institute and the International Alternative Dispute Resolution Centre in Sri Lanka. Shivaan serves as a lecturer for the Arbitration Diploma Course at the Institute for the Development of Commercial Law and Practice, and holds membership in the Academic & Governing Council of the Bandaranayake Academy for Leadership & Public Policy. He also serves as a Non-Executive Independent Director of Dialog Finance PLC.

NELINDRA FERNANDO

Executive Director

Nelindra Fernando was appointed to the Board of Ceylon Cold Stores PLC, on 1st January 2021.

Nelindra is the Chief Financial Officer for the JKH Consumer Foods Industry Group. She joined the John Keells Group in 2013 as the Sector Financial Controller of the JKH Consumer Foods Industry Group. Prior to joining the Group, she worked at the MAS Group and Ernst & Young, Sri Lanka. She is a Member of the Chartered Institute of Management Accountants of (UK) and the Institute of Chartered Accountants of Sri Lanka.

- A Audit Committee
- H Human Resources and Compensation Committee
- N Nominations and Governance Committee
- R Related Party Transactions Review Committee
- P Project Risk Assessment Committee - JKH

MANAGEMENT TEAM

CEYLON COLD STORES PLC

(IN ALPHABETICAL ORDER)

CHATHURIKA FONSEKA

Assistant Vice President

Chathurika is the Head of Marketing in the Confectionery Category of Ceylon Cold Stores PLC and joined the Company in 2024. She has over 19 years' experience in market research, sales and marketing functions in diverse industry sectors. Prior to joining the John Keells Group, Chathurika has worked in Kantar Sri Lanka, SmithKline Beecham (Pvt) Ltd & Reckitt Benckiser (Lanka) Ltd covering marketing & category management functions. Chathurika holds a Bachelor's Degree in Business Management from the University of Colombo, an MBA from the University of Southern Queensland, Australia and a Postgraduate Diploma in Marketing from the Chartered Institute of Marketing (UK).

DAMINDA GAMLATH

President/ Director

Daminda is the President of the JKH Consumer Foods Industry Group. Daminda has been with the John Keells Group since 2002. He was the Sector Financial Controller for the Information Technology Sector and then the Consumer Food Sector before he was appointed as the Head of Beverages in 2013 and the Sector Head in 2017. Prior to joining the John Keells Group, he worked at the Hayleys Group. Daminda holds a B.Sc. (Eng.) Degree from the University of Moratuwa, an MBA from the University of Colombo and is a passed finalist of the Chartered Institute of Management Accountants (UK).

DAMITH SILVA

Assistant Vice President

Damith is the Head of Procurement of Ceylon Cold Stores PLC and joined the John Keells Group in 2021. He has over 17 years of experience in FMCG, apparel and construction industries. Prior to joining the John Keells Group, he worked in Fonterra Brands Lanka for 7 years. He holds a B.Sc. (Eng.) Degree from the University of Moratuwa, an MBA from University of Sri Jayewardenepura and an M.Sc. in Logistics & Supply Chain Management from Birmingham City University (UK).

DILSHANI EDIRISINGHE

Senior Assistant Vice President

Dilshani is the Head of Marketing in the Beverage Category of Ceylon Cold Stores PLC and joined the Company in 2019. She has over 22 years of experience in sales and marketing functions in diverse industry sectors. Prior to joining the John Keells Group, she was attached to AkzoNobel Paints Lanka (Pvt) Ltd for 9 years covering marketing and category management functions. Dilshani holds an MBA from the University of Bedfordshire (UK) and a Post Graduate Diploma in Marketing from the Chartered Institute of Marketing (UK).

DUMINDA GUNAWARDANA

Senior Assistant Vice President

Duminda is the Head of Factory for Ceylon Cold Stores PLC, having rejoined the John Keells Group in 2026. He has over 25 years of experience in the FMCG sector, having previously worked for Ravi Industries Ltd., Ceylon Cold Stores PLC., Coca-Cola Beverages Sri Lanka Ltd., Premium Exports Ceylon Ltd., and Industrial Stainless-Steel Fabrication (Pvt) Ltd., holding key roles in engineering, production, and project management. Duminda holds an Engineering Diploma NDT (Electrical Engineering) from the University of Moratuwa, Master of Manufacturing Management (MMM) and an MBA from the University of Colombo.

HARSHANA RATNAYAKE

Assistant Vice President

Harshana Ratnayake is the Financial Controller of the JKH Consumer Foods Industry Group and joined the John Keells Group in 2026. He is a Chartered Accountant and accomplished finance professional with over 19 years of experience across healthcare, property development, construction, leisure and insurance industries. He holds an MBA from the Postgraduate Institute of Management, University of Sri Jayewardenepura, and is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka.

IMANI PERERA

Vice President

Imani is the Head of Human Resources of the JKH Consumer Foods Industry Group. She joined the John Keells Group in 2016. Previously she served as Head of Learning and Development for John Keells Group. Prior to joining the JKH Group, she worked at Hayleys Group and Third Wave Consulting Pvt Ltd. She holds an MBA, and a BA (Hons.) in English from the University of Colombo, and a Postgraduate Diploma in Marketing from the Chartered Institute of Marketing (UK).

IRANDA GUNAWARDENA

Assistant Vice President

Iranda serves as the Head of Business Systems for the JKH Consumer Foods Industry Group. With 21 years of experience in Business IT Systems, Information & Communication Technology, and IT Governance in manufacturing and sales. Iranda holds an MBA in Project Management from Cardiff Metropolitan University and a B.Sc. in Management Information Systems Degree from University College Dublin.

JANI GANESHAN

Senior Assistant Vice President

Jani is the Sector Financial Controller of the JKH Consumer Foods Industry Group and joined the Group in 2024. She has over 16 years of experience as a finance professional, having held diverse roles across telecommunication, manufacturing, consumer foods and retail industries. Jani is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka. She also holds a Bachelor's Degree in Accountancy and Management from the University of Colombo and an MBA from the University of West London.

JUDE MARTINO

Senior Vice President

Jude is the Head of Beverages at Ceylon Cold Stores PLC. He joined the John Keells Group in 2020. Jude has over 18 years of experience in the FMCG industry. Prior to joining John Keells Group, he had worked at Dialog Axiata, Unilever Sri Lanka, Reckitt Benckiser Bangladesh and Reckitt Benckiser Sri Lanka. Jude holds a Master's in Financial Economics from the University of Colombo, a Bachelor's Degree in Marketing and Management from the Edith Cowan University, Australia and a Diploma in Industrial Psychology.

KUMUDU GAMAGE

Assistant Vice President

Kumudu is the Head of Engineering at Ceylon Cold Stores PLC, and an experienced engineering and manufacturing professional with over 23 years of experience in engineering operations, project management, manufacturing excellence, and R&D. Prior to joining John Keells Group, he has worked at Alumex PLC, Silvermill Group, and Unilever Sri Lanka. He is a graduate of the University of Moratuwa. He is also an EHEDG Practitioner and an Associate Member of both the Institution of Engineers Sri Lanka (IESL) and the Engineering Council Sri Lanka (ECSL).

MADUSHAN PERERA

Assistant Vice President

Madushan is the Head of Financial Planning and Analysis of the JKH Consumer Foods Industry Group. Madushan joined the John Keells Group in 2015. He has over 11 years of experience in the FMCG sector in the areas of financial planning, management accounting and sales and operational planning. He holds a B.Sc. Accounting Special Degree from the University of Sri Jayewardenepura, Postgraduate Diploma in Professional Marketing from the Chartered Institute of Marketing (UK), and is an Associate Member of the Chartered Institute of Management Accountants (UK).

MAHENDRA AMARASINGHE

Senior Assistant Vice President

Mahendra is the Head of Sales for the Confectionery Category. He joined Ceylon Cold Stores PLC in 1991 and has 34 years of experience in sales functions in both Beverages and Confectionery categories.

NELINDRA FERNANDO

Executive Vice President/ Director

Nelindra is the Chief Financial Officer of the JKH Consumer Foods Industry Group. Nelindra joined the John Keells Group in 2013 as the Sector Financial Controller of the JKH Consumer Foods Industry Group. Prior to joining the Group, she worked at the MAS Group and Ernst & Young, Sri Lanka. She is a Member of the Chartered Institute of Management Accountants (UK) and the Institute of Chartered Accountants of Sri Lanka.

NIROSH LALANTHA

Senior Assistant Vice President

Nirosh is the Head of Quality Assurance for the JKH Consumer Foods Industry Group. He joined the John Keells Group in 2000. He has over 22 years of experience in different areas of the FMCG industry. Nirosh holds a B.Sc. Degree in Agriculture from the University of Peradeniya and an MBA from the PIM under the University of Sri Jayewardenepura.

SANJEEWA JAYASUNDARA

Senior Vice President

Sanjeewa is the Head of Supply Chain Management of Ceylon Cold Stores PLC. He joined the John Keells Group in 2010 and has over 31 years of experience in the FMCG industry. He started his career at Unilever Sri Lanka and served for 14 years in different areas in the field of Supply Chain there. He holds a degree in B.Sc. Engineering from the University of Peradeniya, specialised in Production Engineering, and an Associate Member of the Institute of Engineers, Sri Lanka. He also holds an MBA in Management of Technology from the University of Moratuwa.

SATHISH RATNAYAKE

Senior Vice President

Sathish is the Head of Confectionery at Ceylon Cold Stores PLC. With a career spanning over 31 years, Sathish possesses expertise in sales and marketing across diverse industries. Sathish held various positions, including a 14-year tenure at Unilever Sri Lanka, Pure Beverages Ltd, Cargills Ceylon PLC, Bharti Airtel Lanka Ltd, and Heineken Asia Pacific. Sathish holds a Master's Degree from Cardiff Metropolitan University (UK) and a Diploma in Marketing from the Chartered Institute of Marketing (UK).

SUDEEPA WEERASEKARA

Assistant Vice President

Sudeepa is the Head of Sales for Beverages at Ceylon Cold Stores PLC, bringing in 13 years of specialised experience in marketing and sales. Prior to joining John Keells Group, he had worked in the Automotive industry at Associated Motorways PLC. Sudeepa holds a Bachelor of Business with a double major in Management & Marketing from Edith Cowan University (ECU), a Postgraduate Diploma in Marketing from the Chartered Institute of Marketing (UK) and an MBA from Staffordshire University (UK).

THARANGA DILHAN

Assistant Vice President

Tharanga is the Head of Human Resources at Ceylon Cold Stores PLC, bringing in over 35 years of experience in Human Resources and Information Technology. He joined the John Keells Group in 2005, and has worked as the Head of Human Resources at Keells Food Products PLC. He has also served at Crystal Industries Bangladesh Ltd and Crystal Sweater Lanka (Pvt) Ltd prior to joining the Group. Tharanga holds a Professional Qualification in Human Resource Management from CIPM, a Higher National Diploma in Information Technology from the Australian Computer Society (ACS), and a Diploma from the British Computer Society (BCS).

UDAYA PADMAKUMARA

Senior Assistant Vice President

Udaya is the Head of Innovation & Product Development of Ceylon Cold Stores PLC and joined the John Keells Group in 2014. Prior to joining CCS, he worked at Lion Brewery Ceylon PLC and Varun Beverages Lanka (Pvt) Ltd, and he has over 24 years of experience in different areas in the FMCG industry. Udaya holds a B.Sc. Degree in Microbiology from the University of Kelaniya and an M.Sc. in Food Science and Technology from the University of Sri Jayewardenepura.

THE COLOMBO ICE COMPANY (PVT) LTD

INDUNIL AMARASENA

Senior Assistant Vice President

Indunil is the Head of Factory at the Colombo Ice Company (Pvt) Ltd. He joined the John Keells Group in 2001. He has over 25 years of experience in the Confectionery Industry. Indunil holds a B.Sc. in Applied Sciences from Sabaragamuwa University of Sri Lanka and an M.Sc. in Food Science and Technology from the University of Sri Jayewardenepura.

MANAGEMENT TEAM

JAYKAY MARKETING SERVICES (PVT) LTD

(IN ALPHABETICAL ORDER)

AKEEL MUTHALIPH

Assistant Vice President

Akeel is the Head of Commercial Income, New Business and Range, Space and Merchandising of Jaykay Marketing Services (Pvt) Ltd and has been with the John Keells Group since 2015. He holds a Diploma in Economics as well as a Bachelor of Science in Economics and Management from the University of London (UK) and an MBA from the University of Colombo.

AMILA KURUPPU

Senior Assistant Vice President

Amila is the Head of Productivity and Process Improvement of Jaykay Marketing Services (Pvt) Ltd and has been with the John Keells Group since 2006. He was attached to the Operations department prior to being appointed as the Head of Productivity and Process Improvement in July 2019. Prior to joining JMSL, he had worked at Morrisons (UK) in Supermarket Operations. He holds a Diploma in Ticketing and Reservations from the Emirates Training College as well as a Certificate in Management at the Postgraduate Institute of Management and has completed a Certificate Course on Leadership Development conducted by Harvard Business Publishing.

ARAVINDA WANNIARACHCHI

Executive Vice President

Aravinda is the Chief Financial Officer of Jaykay Marketing Services (Pvt) Ltd and joined the John Keells Group in 2007. He was attached to the Group Corporate Finance and Strategy team of John Keells prior to joining the Retail Sector. He is a Chartered Financial Analyst, an Associate Member of the Chartered Institute of Management Accountants (UK) and holds a BBA Marketing (Sp.) Degree from the University of Colombo.

ARUNAJITH NANDANA

Vice President

Arunajith is the Head of Human Resources of the JKH Retail Industry Group and has been with the John Keells Group since 2018. He was attached to the Access Group of Companies as the Human Resources Manager for the healthcare sector before joining the John Keells Group. He is a Passed Finalist of Certified Management Accountants SL and Association of Accounting Technicians (SL). He holds a Bachelor's Degree in Business Management from Open University (SL), MBA from Metropolitan University (UK) and is a Certified Training Programme Assessor for NVQ Level 6 of Tertiary and Vocational Education Commission (SL).

CHARITHA SUBASINGHE

President/ Director

Charitha is the President of JKH Retail Industry Group. He has been with the John Keells Group since 2003. He was the Sector Financial Controller of the Supermarket business, before being appointed as the CEO in 2005. He was also employed at Aitken Spence Hotel Management as the Sector Financial Controller before moving to John Keells Group. He is an Associate Member of the Chartered Institute of Management Accountants (UK) and holds a Diploma from the Chartered Institute of Marketing (UK). He also holds an MBA from the University of Colombo.

CHATHURA GUNAWARDANA

Assistant Vice President

Chathura is the Head of Store Design and Construction at Jaykay Marketing Services (Pvt) Ltd and has been with the John Keells Group since 2012. He holds a Bachelor of Science Degree in Town and Country Planning from the University of Moratuwa and an MBA from the Postgraduate Institute of Management at the University of Sri Jayewardenepura. He is a Chartered Town Planner and a Corporate Member of the Institute of Town Planners, Sri Lanka.

DILAN NIROSHANA

Assistant Vice President

Dilan is the Head of Trade Marketing at Jaykay Marketing Services (Pvt) Ltd and has been with the John Keells Group since 2014. He holds a Bachelor of Science in Marketing Management from the University of Sri Jayewardenepura and an MBA from the Cardiff Metropolitan University (UK). He is also an Associate Member of the Chartered Institute of Marketing and a Life Member of the Sri Lanka Institute of Marketing.

HUSNUN NAZEEYL

Assistant Vice President

Husnun is the Head of Prepared Food at Jaykay Marketing Services (Pvt) Ltd and has been with the John Keells Group since 2016. He was part of the 2016/17 Group Management Trainee programme and joined Jaykay Marketing Services (Pvt) Ltd in 2017. Husnun holds a Bachelor's Degree in Business Management from the University of Wales (UK) and a Postgraduate Diploma in Marketing from the Chartered Institute of Marketing (UK).

ISURU POLGASDENIYA

Vice President

Isuru is the Head of Supply Chain of Jaykay Marketing Services (Pvt) Ltd and has been with the John Keells Group since 2012. He was attached to the Category Management department prior to being appointed as Head of Supply Chain in 2020. He holds a Bachelor of Business Degree in Management and Marketing from the Edith Cowan University, Australia and an MBA from the Cardiff Metropolitan University (UK).

KASUN PITIGALA

Assistant Vice President

Kasun is the Head of Demand Planning at Jaykay Marketing Services (Pvt) Ltd and has been with the John Keells Group since 2015. He holds a Bachelor of Science (Hons.) Degree in Transport and Logistics Management from the University of Moratuwa. He is a Passed Finalist of the Chartered Institute of Management Accountants (UK) and holds a Postgraduate Diploma in Business Statistics from University of Moratuwa.

MIFRAH ISMAIL

Senior Vice President

Mifrah is the Head of Commercial at Jaykay Marketing Services (Pvt) Ltd and has been with the John Keells Group since 2011. He was the Head of Fresh Food prior to being appointed Head of Commercial in 2023. He is an Associate Member of the Chartered Institute of Management Accountants (UK) and is a Diploma Holder of the Chartered Institute of Marketing UK. He also holds a BBA Finance (Sp.) Degree from the University of Colombo and an MSc in Business Analytics from the Robert Gordon University (UK).

NILUSH COORAY

Senior Vice President

Nilush is the Head of Operations of Jaykay Marketing Services (Pvt) Ltd and has been with the John Keells Group since 2003. He was the Head of Human Resources of the JKH Retail Sector before being appointed as the Head of Operations in July 2011. He was also employed at the Carsons Group of Companies for 4 years in the Human Resources function. He holds a Diploma in Human Resources Management from the Institute of Personnel Management, Sri Lanka and an MBA from the University of Southern Queensland (Australia).

NILUSHA FERNANDO

Senior Vice President

Nilusha is the Head of Marketing of Jaykay Marketing Services (Pvt) Ltd and has been with the John Keells Group since 2009. She is a Passed Finalist of the Chartered Institute of Management Accountants (UK), holds a BBA Finance (Sp.) Degree from the University of Colombo and an MBA from the Cardiff Metropolitan University (UK). She has also completed the Growth MBA for Marketers from the Cannes Lions School and is a certified loyalty expert by Loyalty & Reward Co.

NIRESH MUTHURATNANANDAN

Assistant Vice President

Niresh is the Head of E-commerce, Digital Communication, and Loyalty at Jaykay Marketing Services (Pvt) Ltd and has been with the John Keells Group since 2011. He has held several roles in Retail Operations, Commercial, Own Label Marketing and Operations, and Brand Strategy Development prior to being appointed the Head of E-commerce, Digital Communication, and Loyalty in 2019. He is a Certified Digital Marketing Professional from the Digital Marketing Institute (Ireland), and holds a Double Major Bachelor's Degree in Management and Marketing from Edith Cowan University (Australia), a Postgraduate Diploma in Business and Finance from CA Sri Lanka, and an MBA from Cardiff Metropolitan University (UK).

NISHAN RATHNAYAKE

Assistant Vice President

Nishan is the Head of IT Infrastructure, Security, and IT Operations at Jaykay Marketing Services (Pvt) Ltd and has been with the John Keells Group since 2018. He is an experienced professional in the technology industry with over 15 years of industry experience in the Apparel, Retail & Automobile domains. He holds an M.Sc. in Computer Science from Staffordshire University (UK) and an M.Sc. in Digital Transformation from London Metropolitan University (UK).

OSANDA WARNAKULASOORIYA

Senior Vice President

Osanda is the Head of IT for the Retail Industry Group of the John Keells Group. He started his career at JKH in 2003 and in 2013 left the Group, rejoining in 2017. He holds a Bachelor of Science (Hons) Management Information Systems from University College Dublin National University of Ireland.

RAVINDU DE SILVA

Assistant Vice President

Ravindu is the Head of Category Management of Jaykay Marketing Services (Pvt) Ltd and has been with the John Keells Group since 2015. Prior to joining JMSL, he was attached to WNS Global Services working with AVIVA Insurance (UK). He is a Passed Finalist of the Chartered Institute of Management Accountants (UK). He holds a Bachelor's Degree in Physical Sciences and an MBA from University of Colombo.

SAJEEV JEGANATHAN

Senior Vice President

Sajeev is the Head of Projects of Jaykay Marketing Services (Pvt) Ltd and has been with the John Keells Group since 2010. He was attached to the Projects Department of Cinnamon Hotels Management Services (Pvt) Ltd before joining Jaykay Marketing Services (Pvt) Ltd in 2013. He holds a B.Eng in Aerospace Engineering from the University of Sheffield (UK).

SASHI RATNAYAKE

Assistant Vice President

Sashi is the Head of Learning and Development for the Retail Industry Group and has been with the John Keells Group since 2020. Prior to joining the John Keells Group, he was Head of Consulting at 3W Consulting (3WC) SL. He holds a Bachelor's Degree in International Business Management from the University of Staffordshire (UK).

SHELANTHI PERERA

Vice President

Shelanthi is the Sector Financial Controller for JKH Retail Industry Group and has been with the John Keells Group since 2011. She was attached to John Keells Office Automation (Pvt) Ltd before joining Jaykay Marketing Services (Pvt) Ltd. She is an Associate Member of the Chartered Institute of Management Accountants (UK) and holds an MBA from the University of West of Scotland in International Business.

THUSHANI WIJEWICKRAMA

Senior Assistant Vice President

Thushani is the Head of Tax for the JKH Consumer Foods and Retail Industry Groups. She has over 17 years of experience in tax compliance and advisory services. Thushani joined the John Keells Group in 2021, and prior to that worked at Ernst & Young, Sri Lanka. Thushani is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and holds a B.Sc. Finance (Special) degree from the University of Sri Jayewardenepura.

VISAL PERERA

Vice President

Visal is the Head of Fresh Departments at Jaykay Marketing Services (Pvt) Ltd and has been with the John Keells Group since 2015. He began his career as a Group Management Trainee in 2015/16 and was subsequently attached to the Fresh Produce Commercial team in 2016. He later assumed responsibility for the supply chain and sourcing functions of Fresh Produce at Keells Supermarkets. He holds a Bachelor of Commerce degree in Accounting and Finance from the University of Melbourne, Australia.





PRECISELY STEADFORWARD

Performance is driven by insight and every decision is made with precision at Ceylon Cold Stores PLC. We assess, interpret, and act with accuracy to guarantee that effort is directed towards meaningful outcomes. Through this disciplined approach, we continue to achieve with confidence and control.

Through the waggle dance, bees communicate direction and distance with remarkable accuracy; this precision ensures that every movement brings opportunity.

MANAGEMENT DISCUSSION & ANALYSIS

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MATERIALITY

CCS undertakes a materiality assessment annually to identify issues that are most material to the Group and its stakeholders. The Group's materiality assessment is informed by its stakeholder engagement process, emerging risks and opportunities, an assessment of its value creation model and sustainability considerations identified in global and local sustainability standards. Our materiality assessment process in 2025/26 was enriched by an in-depth assessment of our lifecycle and value chain conducted by an expert consultant as part of our sustainability and climate related risks and opportunities assessment. Drawing on insights gained from these mechanisms, the Group refined its list of material topics in 2025/26 as presented below.

Material Topics Retained from the Previous Year

The below-mentioned material topics have been retained unchanged from the year 2024/25.

- Macro-economic conditions and policy developments
- Compliance and good governance
- Market leadership and market reach
- Procurement practices
- Developing livelihoods through developing community infrastructure
- Talent attraction and retention

Consolidated Material Topics

Several topics considered material in 2024/25 were consolidated in 2025/26 as presented below.

Material topics in 2024/25	Material topic in 2025/26
Providing value for money with quality products Product labelling and market communication compliance Provide best-in-class customer service in retail Innovation to promote health, nutrition and lifestyle changes Stability and efficiency in distributor channels	Quality, compliance, customer experience and responsible product innovation
Managing margins, enhancing financial performance and stability Managing working capital, cashflows and cost optimisation	Driving financial stability through cash flows, cost and margin management
Operational excellence Managing natural inputs and outputs	Operational excellence and sustainable resource management
A safe workplace Inclusive workplace	A safe and inclusive workplace
Data security Digitalisation and e-commerce platforms	Data security, digitalisation and e-commerce platforms

New Material Topics Added in 2025/26

Climate resilience and disaster management was added following the identification of climate related risks and opportunities as material.

The materiality of each topic was assessed using a double materiality lens which considered both the impact on the Group as well as the impact on external stakeholders and the planet. The outcome of our materiality assessment for 2025/26 is presented as follows.



Material topics identified through the materiality assessment are integrated into CCS Group's strategy formulation process to ensure its effective management. Clearly defined policies guide the management of material topics at CCS, Group ensuring adequate resource allocation, management attention and accountability. Established performance metrics facilitate regular performance monitoring and enables the implementation of corrective actions and continuous improvement.

MATERIALITY

	Material topics in 2025/26	Materiality compared to last year	Corresponding GRI topics	Link to capitals	Link to strategy	Link to UN SDGs*
1	Macro-economic conditions and policy developments	No change	GRI 201: Economic performance	Financial	Sustainable growth	
2	Driving financial stability through cashflow, cost and margin management	No change	GRI 201: Economic performance	Financial	Sustainable growth	
3	A safe and inclusive workplace	No change	GRI 202: Market presence GRI 403: Occupational health and safety GRI 405: Diversity and equal opportunity GRI 406: Non-discrimination	Human	Empowered team	
4	Data security, digitalisation and e-commerce platforms	No change	GRI 418: Customer privacy	Intellectual Social and Relationship	Sustainable growth	
5	Operational excellence and sustainable resource management	No change	GRI 301: Materials GRI 302: Energy GRI 303: Water and effluents GRI 305: Emissions GRI 306: Waste	Social and Relationship Natural	Sustainable growth Sustainable and responsible organisation	
6	Climate resilience and disaster management	New topic	GRI 301: Materials GRI 302: Energy GRI 303: Water and effluents	Financial Manufactured	Sustainable growth	
7	Quality, compliance, customer experience and responsible product innovation	No change	GRI 416: Customer health and safety GRI 417: Marketing and labelling	Social and Relationship	Fulfilling the customer promise	

** UN SDGs - United Nations Sustainable Development Goals.*

	Material topics in 2025/26	Materiality compared to last year	Corresponding GRI topics	Link to capitals	Link to strategy	Link to UN SDGs
8	Market leadership and market reach	No change	GRI 416: Customer health and safety GRI 201: Economic performance	Financial Social and Relationship	Sustainable growth	
9	Procurement practices	No change	GRI 204: Procurement practices GRI 308: Supplier environmental assessment GRI 414: Supplier social assessment	Social and Relationship Manufactured	Managing the value chain	
10	Developing livelihoods through developing community infrastructure	No change	GRI 203: Indirect economic impacts GRI 413: Local communities	Social and Relationship	Sustainable and responsible organisation	
11	Compliance and good governance	No change	GRI 205: Anti-corruption GRI 206: Anti-competitive behaviour GRI 207: Tax GRI 415: Public policy	All capitals	All strategy pillars	
12	Talent attraction and retention	No change	GRI 401: Employment GRI 402: Labour/ Management relations GRI 404: Training and education GRI 405: Diversity and equal opportunity GRI 406: Non-discrimination GRI 407: Freedom of association and collective bargaining GRI 408: Child labour GRI 409: Forced or compulsory labour	Human	Empowered team	

DELIVERING ON STRATEGY

CCS Group's strategy is structured on five strategic pillars, with tailored strategic initiatives aligned to the operational realities and growth aspirations of each business line. Formulating Sector-specific strategic initiatives involves a careful alignment of internal strengths and capabilities with market opportunities to drive long-term sustainable value creation for all stakeholders.

OUR STRATEGY PILLARS

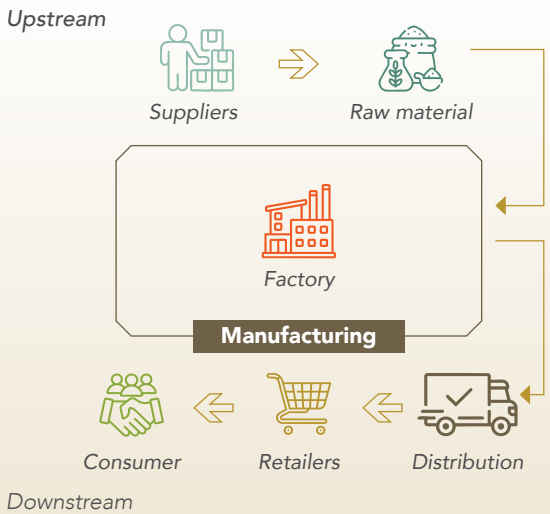
- Sustainable Growth
- Fulfilling the Customer Promise
- Empowered Team
- Managing the Value chain
- Sustainable and Responsible Organisation

The CCS Group comprises of two business lines.

Manufacturing Sector

The Manufacturing Sector, produces a range of beverages and confectionery products for diverse consumer preferences and occasions.

Our Value Chain

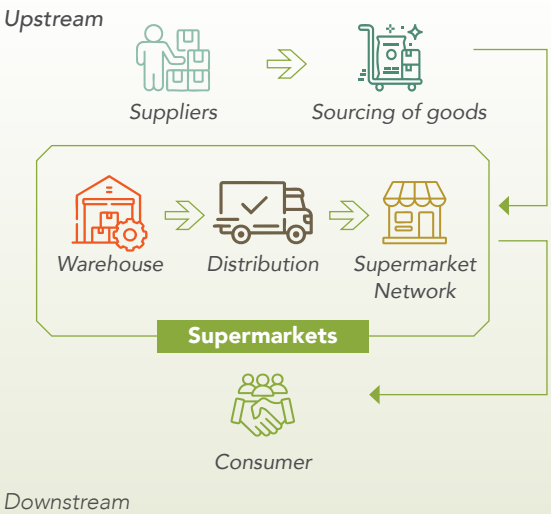


Contribution to CCS Group performance	
Revenue	21%
Operating profit	40%
Profit after tax	51%
Total assets	40%
Total liabilities	27%

Supermarket Sector

The Supermarket Sector offers customers a best-in-class retail experience through a wide range of products, omni-channel accessibility and state-of-the-art retail technology.

Our Value Chain



Contribution to CCS Group performance	
Revenue	79%
Operating profit	60%
Profit after tax	49%
Total assets	60%
Total liabilities	73%

Strategic initiatives implemented by each Sector to drive sustainable growth and value creation in 2025/26 is described in the following pages.

IMORICH

PREMIUM ICE CREAM

Experience the World

YOUR DESIRE.
MADE BOLD.



Double
Chocolate

DELIVERING ON STRATEGY THROUGH OUR BUSINESS LINES

MANUFACTURING SECTOR

Geopolitical conflict and global trade uncertainties	Stable domestic macro-economic conditions	Sustained improvement in consumer sentiment

Strategic priorities and progress made in 2025/26

Strategy pillars

Sustainable growth

- Strategic capital investments which included,
  - The introduction of state-of-the-art extrusion technology in the Confectionery Category to expand its premium single-serve product range.
  - Capacity enhancements in the Beverage Category to support volume growth.
- Focused efforts to increase market penetration by expanding the distribution network, strengthening partnerships with distributors and retailers through mutual value creation and leveraging technology and data analytics use cases to enhance distribution efficiency,
- Synergistic application of systems, data analytics, and AI to drive revenue growth and operational efficiency.
- Innovative brand activations that seamlessly integrated digital and on-ground engagement to strengthen top-of-the-mind recall across diverse audiences. The Sector also focused on enhancing brand equity among younger audiences.
- Market expansion
  - The Beverages Category leveraged its strategic alliance with Reliance Consumer Products Limited to expand its presence in India.
  - The Confectionery Category partnered with a third party to manufacture, distribute and market its products in Australia.

Fulfilling the customer promise

- Maintained an extensive product portfolio that catered to diverse customer preferences, ages and occasions.
- Introduced 7 and 24 new products in the Beverages and Confectionery Categories respectively. This included 7 new premium single-serve-products in the Confectionery Category, enabled by its investment in extrusion technology.
- Maintained our production processes in line with international quality standards.
- Launched the Campa product range in Sri Lanka through our partnership with Reliance Consumer Products Limited India.
- Strengthened the island-wide availability of our product range.

Empowered team

- Fostered an innovative culture through focused initiatives.
- Developed internal talent through a range of training programmes that focused on strengthening technical, leadership and soft skills while enhancing the digital readiness of our team.
- Ongoing emphasis on nurturing a diverse and inclusive work environment.
- Strategic focus on enhancing employee wellbeing and engagement.
- Strengthened the Employee Value Proposition (EVP), with initial steps initiated.
- Enhanced employee engagement through Gallup EmPulse survey insights.
- Enhanced employee remuneration in line with increase in the national minimum wage.
- Disability related approaches.
- Ditwah support for employees.

Managing the value chain

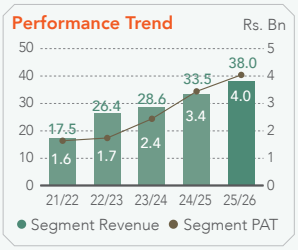
- Value creation for distributors and retailers through quarterly financial performance reviews and trade marketing support.
- Provided cold chain support to retailers through the deployment of freezers and coolers.
- Extended support to retailers affected by Cyclone Ditwah.
- Developed strategic relationships with ginger farmers to ensure supply security.
- Ditwah support for distributors.
- Personalised engagement enabled by data insights gained from advanced data analytics and AI initiatives.
- Maintained our strategic focus on developing local suppliers for several key raw materials including full cream milk powder, cocoa mass and PET caps.
- Engaged in capacity building of dairy farmers through technical guidance and practical support.
- Re-distribution allowances and VAT reimbursement for distributors.

Sustainable and responsible organisation

- Impactful community engagement.
- Numerous initiatives to strengthen the energy efficiency of our production processes.
- Focused initiatives to monitor and reduce water consumption.
- Installed a Dissolved Air Flotation (DAF) system to improve the removal of fats and suspended solids.
- Introduced a Sludge Screw Press to reduce the volume of sludge generated from effluent treatment and aid disposal.
- Promoted circularity by
  - Re-purposing waste ice cream and cones for animal feed production
  - Redirecting the sludge from effluent treatment plants for fertiliser production.
- Added 2 new Material Recovery Facilities (MRFs), thereby expanded the MRF network to 16 under the Elephant House Gunadamin Plastic Recycling Initiative.
- Extended support to communities affected by cyclone Ditwah.

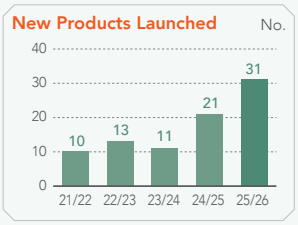
Changes in Government policy	Rapid advancements in technology and artificial intelligence	Environmental risks and climate change related implications

- Manufacturing Sector revenue increased by **13%** to **Rs. 38 billion** in 2025/26 underpinned by strong volume growth.
- Sector Profit After Tax (PAT) expanded by **19%** supported by revenue expansion and a stringent emphasis on cost management and efficiency improvement.
- The Sector's asset base expanded by **14%** to **Rs. 36 billion** reflective of capital investments in both the Beverage and Confectionery categories.

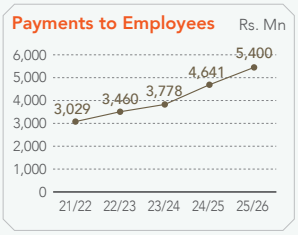


- The Beverage Category recorded a revenue expansion of >**15%** for the second consecutive year.
- In the Confectionery Category recorded a revenue growth of **10%**.
- The market share of the Beverage Category increased while the Confectionery Category retained its market leadership position in 2025/26.

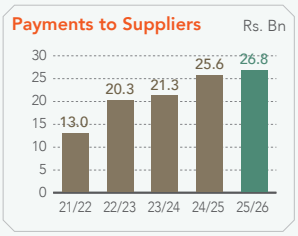
31
New products launched



- Payments to employees: **Rs. 5.4 billion (+16%)**
- Employee retention rate: **81%**
- Female representation in the team: **13%**
- Investment in training and development: **Rs. 107 million**
- Average training hours per employee: **30 hrs**
- No. of workplace accidents and injuries: **8 (-43%)**

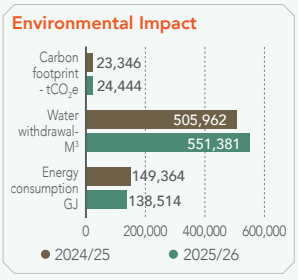


- **58** new distributors partners added to distribution network.
- **Rs. 21.4 billion** payments to local suppliers.
- **32** new suppliers added.
- **5,130** freezers and coolers deployed to the market.



- **0.916 GJ/1000 Ltrs** in energy intensity.
- **0.162 tCO_2e/1000Ltrs** in emission intensity.
- **551.4 ML** in water withdrawal.
- **35%** of PET bottles were recovered and recycled.
- **Rs. 35.4 million** CSR payments.

23,439 GJ
Renewable energy generated



Digital platforms and data analytics

- Manufacturing Sector introduced numerous systems and platforms during the year under review to improve distribution efficiency, support sales teams and strengthen cold chain temperature monitoring.
- We also commenced the implementation of a data lakehouse to unify datasets from multiple systems into a single, scalable hub to strengthen the quality of real-time and predictive data analytics.
- Elee, an AI-based intuitive interface was layered to facilitate user interaction with the lakehouse.
- The Sector also leveraged multiple advanced data analytics use cases to improve operational and distribution efficiency.

Outlook for 2026/27

The outlook for the year ahead remains measured. The conflict in the Middle East significantly disrupted global trade and energy flows during its two month duration leading to significant cost escalations across key inputs, energy and freight. However, we expect input costs to gradually trend downward as 2026/27 progresses.

In this backdrop, we will retain our strategic focus on expanding our product portfolio, strengthening distribution channels and engaging in innovative promotions to drive retail penetration alongside a stringent emphasis on cost management. Systems, data analytics and AI will remain foundational in providing data-led insights to guide these strategic decisions.

DELIVERING ON STRATEGY THROUGH OUR BUSINESS LINES

SUPERMARKET SECTOR

Geopolitical conflict and global trade uncertainties	Stable domestic macro-economic conditions	Sustained improvement in consumer sentiment

Strategic priorities and progress made in 2025/26

Strategy pillars

Sustainable growth

- Strengthened the customer-centricity of its operations by leveraging data analytics to align and customise its product range and promotions with the specific needs of customers.
- Expanded omnichannel accessibility through
  - The addition of 9 new outlets.
  - An expanded reach on quick commerce platforms.
  - A revamped online platform.
- Conducted strategic market activations that fostered a connection with customers.
- Introduced the Nexus Loyalty Mobile App to facilitate personalised engagement with customers and strengthen loyalty.
- Maintained strategic focus on improving and expanding key revenue drivers such as the prepared food and the fresh produce range.
- Expanded complimentary revenue streams from fresh produce offerings, Keells Insights and EV charging stations.

Fulfilling the customer promise

- Leveraged advanced data analytics to segment customers based on shared characteristics to deliver a more customised shopping experience that fulfilled specific customer needs and preferences.
- Enhanced convenience enabled by an omnichannel approach to accessibility.
- Rewards and tailored promotions to Keells Nexus Loyalty members.
- Improved evening in-store availability of fresh produce and seafood.
- Offered customers an expanded product range which included,
  - A revamped prepared food offering.
  - Expansion of the doughnuts counter into **96** new stores.
  - An expanded private label product range
  - Over **110** new imported products from world renowned brands.
- Expanded the availability of EV charging stations across an additional **36** supermarket outlets.

Empowered team

- Completed the decentralisation of HR management to support deeper engagement and responsiveness to employee needs.
- Launched an Employee Wellbeing Framework to support employees' overall mental, physical, emotional and financial wellbeing.
- Enhanced employee remuneration in line with increase in the national minimum wage.
- Enhanced in-person training particularly for new recruits to facilitate a smooth transition into their job roles.
- Consistent emphasis on succession planning.
- Launched the She Rises – Self Care programme to build confidence in women in middle management to progress in their career.

Managing the value chain

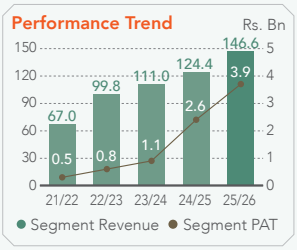
- Leveraged centralised inventory management across all categories to optimise distribution and logistics while maintaining product quality.
- Leveraged enhanced demand forecasting models to
  - Increase accuracy of purchasing forecasts to better support suppliers with production planning and delivery.
  - Offer 75 key suppliers committed demand forecasts.
  - Capture promotional and seasonal variations to optimise inventory and reduce wastage.
- Partnered with Sinopec to secure fuel for logistics providers.
- Expanded our private label supplier base with the addition of **6** new suppliers.
- Partnered with the ADB and the Smallholder Agribusiness Partnerships Programme to support farmer capacity development and promote climate resilient farming techniques.

Sustainable and responsible organisation

- Maintained our reliance on renewable energy through rooftop solar systems at outlets and the distribution centre.
- Consistent emphasis on reducing single-use polythene consumption within our operations by
  - Promoting the use of reusable bags.
  - Compostable bags at vegetable, fruit, meat and seafood counters.
  - Use of paper straws at juice counters.
- Supported communities affected by cyclone Ditwah.
- Reduced waste directed to landfills through the re-distribution of unsold prepared food and fresh produce to those in need.
- Impactful community engagement through
  - 'A brighter tomorrow for our little ones' – the Sector's flagship, crowd-funded pre-school meal programme
  - Youth empowerment by strengthening English language proficiency of over **1,100** young people to support better employment prospects.
  - Introduction of the Retail Certification Programme in partnership with the University of Moratuwa.

Changes in Government policy | Rapid advancements in technology and artificial intelligence | Environmental risks and climate change related implications

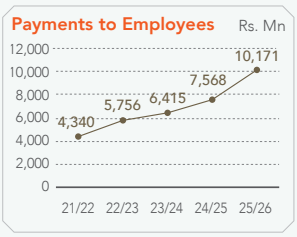
- Supermarket Sector revenue expanded by **18%** to **Rs. 147 billion** in 2025/26.
- Meanwhile, its Profit After Tax (PAT) improved by **50%** supported by strong revenue growth and strategic focus on effective cost management.
- The Sector's asset base expanded by **12%** to **Rs. 56 billion** underpinned by capital investments related to outlet expansion and the establishment of Employee Support Centres.



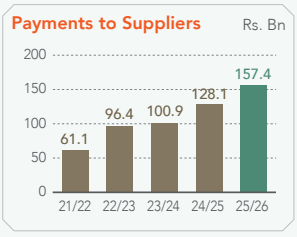
- Same store sales grew by **13%**.
- Same store customer footfall also increased by **14%** supported by new customer acquisitions.
- Average basket value remained relatively unchanged compared to the previous year as deflationary conditions offset the increase in average basket volumes.
- **>2.8 million** Keells Nexus loyalty members.
- **>240,000** downloads of the Keells Nexus loyalty app since its launch in February 2026.



- Payments to employees: **Rs. 10.2 billion (+34%)**
- Employee retention rate: **2%**
- Female representation in the team: **51%**
- Investment in training and development: **Rs. 40.6 million**
- Average training hours per employee: **23 hrs**

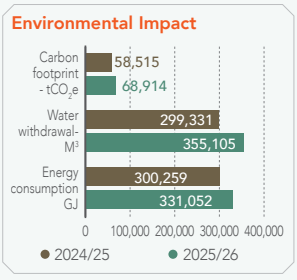


- **Rs. 155.9 billion** payments to local suppliers
- **522** new suppliers added
- **Rs. 4.7 million** investment in supplier development



- **0.14 GJ/Sqft** in energy intensity.
- **37.14 tCO_2e/Sqft** in emission intensity.
- **355.1 ML** water withdrawal.
- **Rs. 28.5 million** CSR payments.

64,797 GJ
Renewable energy generated



Digital platforms and data analytics

- The Supermarket Sector undertook an extensive data analytics led exercise to segment its customers based on shared needs and expectations.
- The Sector commenced the implementation of its data lakehouse to strengthen advanced data analytics led insights.
- Advanced data-driven forecasting models played a key role in improving inventory management, supply chain management and waste reduction. During the year under review, the Sector introduced Cybake to strengthen demand forecasting for its prepared food Category.
- Quick commerce digital platforms was significant in driving the Sector's ominchannel strategy while data analytics use case implementation supported improved operational efficiency.
- The Sector launched the Keells Nexus mobile app which required significant investments in middleware to optimise back-end functionality for a superior customer experience.
- The Sector established a Security Operations Centre in partnership with a specialist third party to strengthen the security of its retail infrastructure and systems.

Outlook for 2026/27

Our outlook for the year ahead is tempered by the uncertainties arising from the conflict in the Middle East. The sharp rise in energy and freight prices has increased the Sector's operational costs and pressured margins. However, we expect costs to gradually decline towards the second half of 2026/27.

Amid these developments, our focus remains on customising our in-store and digital retail experience in line with specific customer needs identified through our Customer Centricity project. Furthermore, expanding our digital and physical reach to facilitate greater accessibility and convenience, improving direct engagement with customers through the Keells Nexus loyalty app and expanding our prepared food range are also key priorities for the year ahead.

OPERATING ENVIRONMENT

The operating environment in 2025/26 was multifaced, characterised by a combination of opportunities and challenges. Domestic economic stability provided an enabling environment for business growth while sustaining consumer sentiment and spend during the first half of the year. However, the devastating impact of cyclone Ditwah in end-November 2025 highlighted the human and economic cost of climate change, reflected in the considerable loss of life, and damage to infrastructure, property and livelihoods. Globally, the conflict in the Middle East, significantly disrupted global trade and energy supply chains resulting in surging prices and supply disruptions. Key opportunities and uncertainties that shaped our operating landscape in 2025/26 are summarised below.

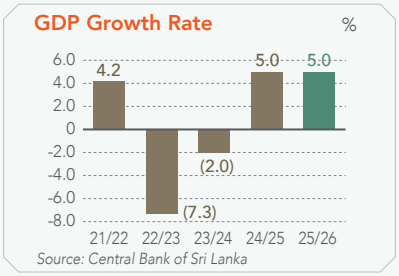
Global economic landscape

- 2025/26 marked a significant increase in global uncertainty. A rise in protectionist measures, shifts in trade policy and persistent trade tensions amplified trade uncertainty while recurring geopolitical tensions deepened the risk of fragmentation across global financial and trade systems.
- Despite these challenges, the global economy remained resilient, expanding by an estimated 3.3% in 2025 (International Monetary Fund, World Economic Outlook January 2026) buoyed by technology-related investments, accommodative financial and fiscal conditions and an adaptive private sector.
- However, the evolving conflict in the Middle East poses a test to global economic resilience. Disruption to global energy supply chains has led to a surge in energy prices with spillover effects across related industries such as fertiliser and plastic resins, a vital input in food and beverage packaging. Energy shortages across many regions have also led to rationing limited stocks.
- Moreover, the region's positioning as a global logistics hub has led to disruptions in global trade activity, higher freight costs while also adversely affecting international air freight and passenger markets.
- On this backdrop, the International Monetary Fund projects global economic growth to come down to 3.1% in 2026.

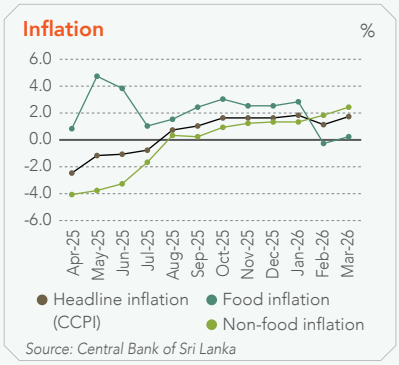
Implications on CCS	Our strategic response
A surge in the prices of energy, key input materials, exchange rates and cost.	Mitigated these pressures through cost optimization, strategic sourcing, forward booking, logistics efficiency, and selective pricing actions to protect margins

Sri Lankan economic landscape

Sri Lanka's economy maintained its growth momentum in 2025. Gross Domestic Product expanded by 5% in 2025 (excluding the impact of cyclone Ditwah which is currently under assessment) with the key sectors of Agriculture, Industry and Services expanding by 1.4%, 7.8% and 3.3%, respectively. Recovery in additional industries following the resumption of vehicle imports and the sustained improvement in consumer confidence were also key contributors to growth.

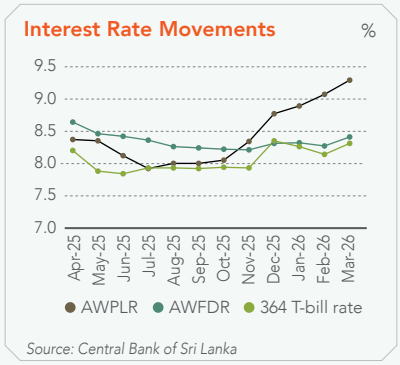


Inflation



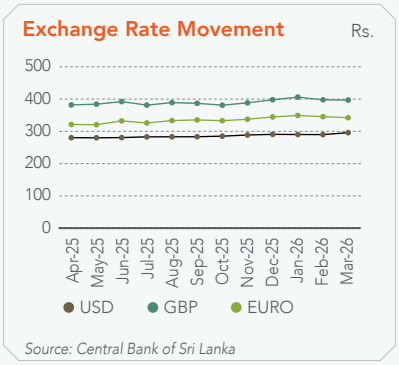
Following a period of deflation, Headline Inflation returned to positive territory in August 2025. Headline inflation stood at 2.20% as at end-March 2026 and is expected to reach CBSL's projection of 5% during the second quarter of 2026.

Interest rate movements



Despite CBSL's Overnight Policy Rate remaining unchanged at 7.75% throughout the year, AWPLR trended upward from the second half of the year and stood at 9.39% in March 2026.

Exchange rate movement



The Sri Lankan Rupee depreciated by 5.6% to Rs. 309.99/USD in 2025 while depreciating a further 1.7% to Rs. 315.99/USD as at end-March 2026.

External sector performance

Sri Lanka's external sector performance remained stable in 2025. While the cumulative trade deficit widened to USD 7.9 billion despite historically high export earnings, the current account recorded a marginal surplus of USD 1.7 billion in 2025. Moreover, foreign exchange inflows from workers' remittances and the tourism sector remained robust. Inflows from workers' remittances (which also includes other remittances received following cyclone Ditwah) increased by 22.8% surpassing USD 8.0 billion. Meanwhile, tourist arrivals exceeded the levels recorded in 2018, with tourism sector earnings increasing by 1.6% compared to 2024.

Sri Lanka's gross official reserves increased to USD 6.8 billion as at end-2025 supported by receipts from multilateral institutions and net forex purchases by the CBSL. Gross Official Reserves improved further to USD 7 billion as at end-March 2026.

Implications on CCS	Our strategic response
➲ A conducive economic landscape for business growth. ➲ A sustained improvement in consumer sentiment.	➲ A strong focus on growth and expansion. • Manufacturing Sector – Capital investments to enhance production capacity across the Beverages and Confectionery Categories while strengthening market penetration through an expanded distribution network. • Supermarket Sector – Customer-centred value propositions delivered through an omni-channel approach that effectively blended physical and digital channels. ➲ Strategic market activations across both Sectors to strengthen brand equity. ➲ Expansion into new markets - The Beverages Category leveraged its partnership with Reliance Consumer Foods Ltd to expand its presence in India while the Confectionery Category partnered with a third party for the manufacture and distribution of its products in Australia.

Government policy

➲ Changes in Government policies that impacted our operations in 2025/26 include,

- Electricity tariffs were revised upwards, including a 16% increase in June 2025, an 11% increase effective from 1 April 2026, and a further 18% increase in May 2026, in line with the cost-reflective pricing framework.
- Revised rates for fuel which included an 35% and 38% increase in petrol and auto diesel prices from March 2026.
- The removal of the SVAT scheme with effect from 1st October 2025.
- The income tax exemption on foreign sourced income was removed and made liable to income tax at a rate of 15% with effect from 1st April 2025.
- The monthly minimum wage requirement increased from Rs. 17,500 to Rs. 27,000 effective April 2025, and was further increased to Rs. 30,000 effective January 2026.

➲ Regulations expected to come into effect in the short term,

- The Extended Producer Responsibility law which mandates collect-back targets for PET bottles with non-compliance penalties imposed if established targets are not achieved.
- The Food (Labelling and Advertising) Regulations 2022 related to labelling of food products is expected to come into effect from June 2026 and requires companies to update product labels, packaging information and advertising content to meet revised compliance requirements.
- The Personal Data Protection (Amendment) Bill was passed in Parliament in October 2025 and is currently pending implementation.

Implications on CCS	Our strategic response
➲ An increase in production costs due to increase in energy prices. ➲ Indirect export income was liable for tax under the new regulations.	➲ Strategic emphasis on improving the energy efficiency of the operations. ➲ Ensured all tax liabilities were paid in full and in a timely manner. ➲ A proactive response to emerging regulatory developments. • Ongoing expansion of the Elephant House Gunadamin Plastic Recycling Initiative which enabled the fulfillment of the prevailing voluntary EPR requirement of 35% of PET bottles sold in 2025/26. • Aligned our labelling with the requirements of the new regulation. • Aligned our processes in the Manufacturing and Supermarket Sector with the requirements of the Personal Data Protection Bill with the assistance of an external consultant.

OPERATING ENVIRONMENT

Environmental and climate change related risks and implications

Extreme weather events, biodiversity loss and ecosystem collapse, critical change to Earth systems and Natural resource shortages remain among the top 10 risks facing the world in the long term. Sri Lanka's exposure to these risks is significant as rising temperatures, unpredictable weather patterns and intensifying natural disasters pose risks to its agriculture and tourism sectors as well as its coastal resources. The effects of cyclone Ditwah in November 2025 underscored this vulnerability. The devastation it caused resulted in a significant loss of life while disrupting the livelihoods of many more. The cyclone also caused extensive damage to infrastructure, property, homes and agriculture.

Implications of CCS Group	Our strategic response
➲ The devastation caused by cyclone Ditwah resulted in • Damage to the Beverage and Confectionery distribution networks with over 10,000 outlets affected and resulting in substantial market returns. • 13 supermarket outlets affected. ➲ Elevated global prices for key agricultural inputs such as cocoa, cashew and coconut oil as lower crop yields, delayed harvests and pest related issues exerted pressure on supply amidst robust demand. ➲ Moreover, the increasing reliance on biofuels to meet national climate related goals contributed to an increase in global palm oil prices.	➲ Formal governance and risk management structures for the effective management and monitoring of sustainability and climate related risks and opportunities. ➲ Strengthen insurance protection for damage resulting across the supply chain and distribution network from extreme weather events. ➲ Diversified supply chains across multiple geographical regions to facilitate supply security of key raw materials. ➲ Strengthen procurement practices that include quotations from multiple suppliers to optimise costs. ➲ Carrying out flood risk analysis when setting up new supermarket outlets. ➲ Emphasis on developing local suppliers for key raw materials.

Digital transformation

The synergistic application of digitalisation, data analytics and generative AI provides businesses with a competitive edge in a rapidly evolving digital era. The integration of technology into an organisation's core functions enables operational efficiency while big data analytics empowers businesses with deeper insights for informed decision making. Meanwhile, artificial intelligence enables the automation of routine tasks while improving interaction with data systems.

Implications on CCS Group and our strategic response

- ➲ CCS Group invested in numerous new systems and platforms to improve distribution and operational efficiency.
- ➲ The Group commenced the implementation of a data lakehouse for both Sector to create a 'single source of truth' for real-time and predictive data analytics.
- ➲ The Manufacturing Sector also layered Elee, an AI-based intuitive interface over its data lakehouse to improve user interactions.
- ➲ The Supermarket Sector undertook a data-led Customer Centricity programme to deepen its understanding of preferences across diverse customer groups to facilitate tailored value propositions and engagement.
- ➲ CCS Group has implemented a range of Advanced data Analytics related use cases to drive operational and distribution efficiency.

A dynamic consumer landscape

Consumer preferences continue to evolve driven by a combination of factors. While consumers are increasingly seeking innovative product offerings, their purchasing decisions are also influenced by changing lifestyles, a growing focus on health and wellness, affordability and increasing concerns for the environment and social equity. The entry of digital native GenZs to the consumer landscape has also reshaped preferences for engagement, positioning digital channels and social media as integral tools for brand engagement.

Implications on CCS Group and our strategic response

- ➲ An extensive product portfolio in the Manufacturing Sector that includes mass market and premium offerings that caters to a diverse audience across preferences, age and occasions.
- ➲ Introduction of 31 new products in the Manufacturing Sector which includes 7 new premium single serve offerings enabled by its investment in extrusion technology.
- ➲ Strategic focus in the Supermarket Sector on deepening our understanding of customer preferences through customer-centred data analytic to facilitate a tailored product range, promotions, pricing and engagement.
- ➲ Increase the import range.
- ➲ Innovative brand activations that seamlessly integrate digital and on-ground engagement channels to engage with a wide audience.


Keells
Doughnuts
Keells

ENGAGING WITH OUR STAKEHOLDERS

CCS Group's structured approach to stakeholder engagement enables proactive identification of stakeholders' key concerns and expectations. These insights guide strategic decision making, ensuring that strategic goals aligned with stakeholder expectations and long-term value creation. The Group identifies key stakeholders as all relevant parties (both internal and external) that are significantly affected or having an interest in its activities. A summary of our stakeholder engagement activities in 2025/26 are presented below.

Shareholders	Customers	Employees
6,857 institutional and public investors.	An island-wide customer base in Manufacturing and over **2.8 million** customers in Supermarkets as represented by Keells Nexus memberships.	A team of **8,429** across the Manufacturing and Supermarket Sectors.
Issues and concerns raised in 2025/26		
➲ Financial performance and position ➲ Resilience to climate change related risks ➲ Sustainable growth ➲ Sound corporate governance ➲ Prudent risk management ➲ Corporate reputation	➲ Broad-based preferences across innovation, value, quality, health and nutrition and sustainability ➲ Product availability ➲ Safety and hygiene in store operations ➲ Good customer service	➲ Competitive remuneration. ➲ Job security ➲ Opportunities for growth and career progression ➲ Physical and mental wellbeing ➲ Diversity and equity in the workplace ➲ Opportunities for engagement and collaboration
Engagement channels		
➲ Annual General Meeting ➲ Annual Report ➲ Quarterly performance updates ➲ Press releases ➲ Engagement through the Company Secretary and the Colombo Stock Exchange	➲ Customer satisfaction surveys ➲ Consumer panels. ➲ Test marketing ➲ Innovative activations that integrate digital and on-ground engagement ➲ The Keells Nexus loyalty programme in the Supermarket Sector	➲ Employee satisfaction surveys ➲ Open dialogue with HR and Department Heads ➲ Cordial relations with trade unions ➲ In-person and digital engagement
How we responded in 2025/26		
An adaptive strategy that leveraged opportunities to drive growth while effectively responding to global and domestic challenges.	A broad portfolio of products that catered to diverse consumer preferences with a strategic focus on improving distribution channels in the Manufacturing Sector, a best-in-class retail experience in the Supermarket Sector and a sustained Group-wide commitment to responsible business operations supported value creation for customers.	Nurtured our teams through structured training opportunities, a strategic focus on employee wellbeing and engagement and a sustained commitment to empowering women to progress in their careers.
Value creation in 2025/26		
➲ Profit after tax: **Rs. 7.9 billion (+32%)** ➲ Earnings per share: **Rs. 8.3 (+32%)** ➲ Dividends per share: **Rs. 5.67 (+32%)** ➲ Return on equity: **32.15% (+5%)**	➲ New products launched (Manufacturing Sector): **31** ➲ Launched the **Keells Nexus Mobile** app (Supermarkets) ➲ Keells was ranked the **'Most loved supermarket brand in 2025'** (LMD, 2025). ➲ Elephant House Ice Cream was crowned **Brand of the Year 2025** ➲ Elephant House Cream Soda won **People's Beverage Brand of the Year 2026**	➲ Payments to employees: **Rs. 15.6 billion (+28%)** ➲ Investment in training and development: **Rs. 148 million (+6%)** ➲ Female representation: **46% (+2%)**
Quality of relationship		
Strong	Strong	Strong
Link to strategy		
Sustainable growth	Fulfilling the customer promise	Empowered team

CCS Group's Stakeholder Engagement Process

01 Identify key stakeholders

02 Engage with stakeholders

03 Evaluate feedback and address issues

04 Respond through strategic interventions

	Channel partners	Suppliers	Government	Community
	An island-wide network of over **100,000** distributors and retailers.	A supplier base that exceeds **3,000** with **>96%** comprising local suppliers.	The Government of Sri Lanka (GoSL) as represented through numerous state and state-linked institutions.	Our local communities
	➲ Opportunities for business growth ➲ Support for post-cyclone recovery	➲ Ethical procurement practices and timely payments ➲ Opportunities for business growth	➲ Timely payment of all government dues ➲ Regulatory compliance ➲ Community empowerment, job creation and responsible business operations	➲ Community engagement ➲ Livelihood empowerment and skill development ➲ Responsible environmental and social practices
	➲ In-person engagement through visits and audits ➲ Digital engagement through Surge, the Manufacturing Sector's Distributor Management System ➲ Distributor conventions ➲ Quarterly financial performance reviews ➲ Capacity building initiatives	➲ In-person engagement ➲ Supplier audits ➲ Capacity building programmes ➲ Farmer development programmes	➲ One-on-one engagement ➲ Engagement through industry forums and associations	➲ Formal grievance mechanisms which include a hotline to report issues and concerns ➲ Impactful community engagement initiatives
	Leveraged systems, advanced data analytics and use case implementation to facilitate personalised engagement and mutual value creation. Continued to provide trade marketing and cold chain support while also supporting the recovery of channel partners affected by cyclone Ditwah.	Maintained ethical business relationships with suppliers while promoting the development of local suppliers and farmers and propagating sustainable supply chain practices.	Compliance with all laws and regulations while creating value for the GoSL through the timely payment of taxes, duties and levies. While 23 incidents relating to marketing and labelling requirements were recorded within the Supermarket Sector, no significant incidents of non-compliance were reported. These incidents did not result in any material monetary fines. Moreover, the Group did not seek any financial assistance from the GoSL. CCS Group did not make any political contributions to the Government in 2025/26.	Engaged in numerous community upliftment programmes that included support for post-cyclone recovery, youth skill development and nutritious meal provisions for pre-school students. We also implemented a range of initiatives to reduce the environmental impacts of our operations while fulfilling the voluntary recycling commitment of 40% of PET bottles sold under the Extended Producer Responsibility requirement.
	➲ Payments to channel partners: **Rs. 4.2 billion (+31%)** ➲ Deployed **5,130** freezers and coolers to the market alongside promotional displays, boards and merchandising support. ➲ Supported the recovery of over **10,000** channel partners affected by cyclone Ditwah.	➲ Payments to suppliers: **Rs. 184.2 billion (+20%)** ➲ Investment in supplier development programmes: **Rs. 4.7 million**	➲ Tax payments: **Rs. 14.9 billion (+43%)**	➲ Investment in CSR initiatives: **Rs. 64 million (+40%)** ➲ No. of beneficiaries: **>13,630** ➲ Support extended for post-cyclone recovery: **>Rs. 100 million** ➲ Investments in environmental preservation: **Rs. 248.5 million (+11%)**
	Strong	Good	Good	Strong
	Managing our value chain	Managing our value chain	Sustainable and responsible organisation	Sustainable and responsible organisation

EMBEDDING SUSTAINABILITY

Our commitment to managing our operations responsibly is reflected in the integration of sustainability principles across our value chain.

Developments in 2025/26

The Colombo Stock Exchange mandated the first 100 listed entities based on market capitalisation as at 1st January 2025 to align its corporate reporting with the requirements of SLFRS Sustainability Standards S1 and S2, the localised versions of ISSB's IFRS Sustainability Standards S1 and S2 from 1st January 2025.

The John Keells Group adopted a structured implementation programme during the year under review to prepare for compliance with this requirement. This process commenced with the engagement of an international consulting firm to conduct a comprehensive, Group wide gap analysis. Based on the findings of this assessment, the John Keells Group implemented the requisite frameworks, processes, and governance structures to support the enhanced disclosure requirements.

To strengthen internal capabilities and deepen understanding of the standards and their implications for the John Keells Group's reporting and governance processes, external consultants conducted a series of workshops and working sessions for senior leadership and their teams. These sessions were attended by key stakeholders, including the JKH Group Deputy Chairperson/ JKH Group Finance Director, members of the Group Executive Committee, and representatives from the Sustainability, Risk, Corporate Finance, and Finance teams, reflecting their roles in the implementation and ongoing oversight of sustainability related disclosures.

To strengthen governance and strategic oversight, the John Keells Group established the ESG and Sustainability Steering Committee, which is responsible for overseeing sustainability related impacts, risks, and opportunities, including Sustainability Related Risks and Opportunities (SRROs) and Climate Related Risks and Opportunities (CRROs). The Committee serves as the primary governance forum guiding the John Keells Group's sustainability agenda and ensuring alignment with the requirements of SLFRS S1 and SLFRS S2 as the Group progresses towards full implementation.

Please refer SLFRS Sustainability Standards S1 and S2 disclosures on page 184 for more information.

Initiatives implemented by CCS Group in 2025/26 to drive progress on its sustainability priorities is summarised below.

ESG Priorities in 2025/26

Energy and emissions

Reducing reliance on fossil fuels and improving the energy efficiency of the operations

- **18%** reliance on renewable energy
- **7%** energy savings resulting from focused strategies in the Manufacturing Sector Ranala Ice Cream factory
- **19%** improvement in energy intensity (Manufacturing Sector)
- **100%** of LED lighting in the Supermarket Sector

Water

Sustainable water management

- Initiatives to improve the water efficiency of the operations
- Rainwater harvesting at the Distribution Centre in the Supermarket Sector
- Water recycling and reusing
- **16%** improvement in water intensity (Manufacturing Sector)

Responding to consumer health preferences and health and safety

- Low calorie and no-added sugar ice creams under the "Feelgood" wellness range
- 99% of the CSD range is amber or green rated for sugar content
- A vegan product range in the Confectionery Category
- Processes that align with global quality and food safety certifications and stringent quality assurance
- Responsible product labelling and marketing

Female empowerment

- An HR governance framework that promotes an equitable and inclusive work environment
- Focused initiatives to empower women to progress in their careers
- Promoting female entrepreneurship through the 'Dinanee' programme in the Confectionery Category
- **46%** Female representation in the workforce

Fostering local employment

- A strategic focus on local procurement
- Local supplier development
- Supported the development of private label manufacturers (Supermarket Sector)
- Mutual value creation for channel partners
- Payments to suppliers: **Rs. 184.2 billion**
- Local procurement: **Rs. 177.3 billion**
- No. of farmers supported: **2,966** (Keells "Govi Diri")
- Freezer and cooler deployed to the market: **5,130**

Waste

- Repurposed waste ice cream and cones for animal feed (Manufacturing Sector)
- Redirected unsold fresh produce and prepared meals to those in need
- **9%** reduction in waste directed to landfills (Manufacturing Sector)

'A brighter tomorrow for our little ones'

- Provision of nutritious meals to pre-school children (Supermarket Sector)
- **937** children supported across **46** pre-schools through the provision of **102,336** meals

Packaging materials and single-use polythene consumption

- **1,115 MT** plastic waste upcycled through the Elephant House Gunadamin Plastic Recycling Initiative
- Focused initiatives to reduce single-use polythene consumption in stores (Supermarkets Sector)

Effluent management

- Improved effluent treatment by installing an advanced Dissolved Air Flotation (DAF) system (Manufacturing Sector)
- Introduced a Sludge Screw Press to reduce the volume of the sludge generated from effluent treatment
- Started the ETP expansion project to cater the increased production in Confectionery Category

Supporting communities affected by cyclone Ditwah

- **Rs. 100 million** contribution to the Rebuilding Sri Lanka Fund to support post-cyclone recovery
- Immediate relief to affected communities through water and in-kind donations

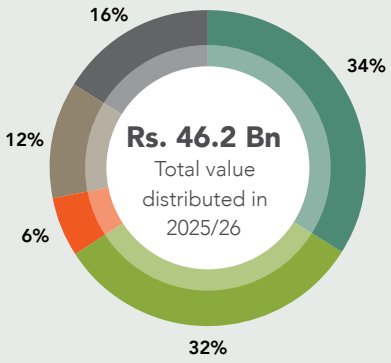
Empowering youth

- Supported English language proficiency investing **Rs. 18.7 million**
- Strengthened industry academic programmes

ECONOMIC VALUE CREATED

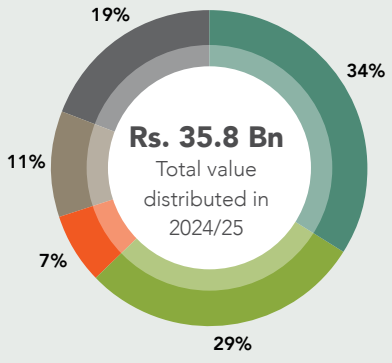
Extensive operations across the Manufacturing and Supermarket Sectors enable us to contribute significantly to the national economy and the broader community. The value creation in 2025/26 and its distribution is presented below.

Value created	2025/26 Rs Mn	2024/25 Rs Mn	YoY % change
Revenue	184,595	157,934	+17
Other operating income	4,726	3,417	+38
Cost of materials and services brought in	143,150	125,595	+14
Value added	46,171	35,756	+29



Value Distribution

- To employees
- To the GoSL
- To providers of debt
- To shareholders
- Retained in the business



Our value distribution in 2025/26 is presented below.

Shareholders and Capital Providers

Rs. **5.4** Bn (+32%)
Value distributed to shareholders

Rs. **2.6** Bn (+8%)
Value distributed to debt providers

Employees

Rs. **15.6** Bn (+28%)
Value distributed to employees

Rs **147.8** Mn (+6%)
Investment in training

Suppliers

Rs. **184.2** Bn (+20%)
Payments to suppliers

Rs. **4.7** Mn
Investments in supplier development

2,112
Suppliers supported through capacity building initiatives.

Local Communities

Rs. **63.9** Mn (+40%)
Investment in CSR initiatives

Rs. **177.3** Bn (+19%)
Local procurement spend

> **13,630**
CSR Beneficiaries

Government of Sri Lanka

Rs. **14.9** Bn (+43%)
Value distributed to the GoSL

Rs. **97.9** Bn (+26%)
Market capitalisation

Minimising our environmental impacts

1,115 MT (+46%)
of plastic recycled

88,236 GJ
Renewable energy generation


Lemonade
HOT DAYS
ARE A VIBE
Elephant House
Lemonade
250 ml
NET CONTENT
LEMONADE
Elephant House
Lemonade
250 ml
NET CONTENT
LEMONADE

VALUE CREATION MODEL

Capital inputs

FINANCIAL CAPITAL

Our Financial Capital comprises

- Shareholders' funds **Rs. 25.0 Bn**
- Borrowings **Rs. 19.1 Bn**

Is integral to achieving our strategic aspirations.

MANUFACTURED CAPITAL

- **4** manufacturing plants facilitate the manufacture, distribution and sale of Beverage and Confectionery product portfolio.
- **147** supermarket outlets and a **260,000 sqft** state of the art distribution centre support the business operations of the Supermarket Sector.

HUMAN CAPITAL

Our highly skilled and engaged team of over **8,429** employees drives innovation and enables the delivery of value propositions that fulfill customer needs.

SOCIAL AND RELATIONSHIP CAPITAL

An extensive island-wide customer base, collaborative partnerships with over

- **>3,000** suppliers
- **>250** distributors
- **>13,000** farmers

and engagement with local communities.

INTELLECTUAL CAPITAL

An array of systems, deep data led insights, a portfolio of brands, an extensive recipe library and a rich heritage that spans over **160** years of operations represent our Intellectual Capital.

NATURAL CAPITAL

Natural resources which include energy, raw materials, and water represent key inputs of our business operations.

Value transformation process

OUR VISION

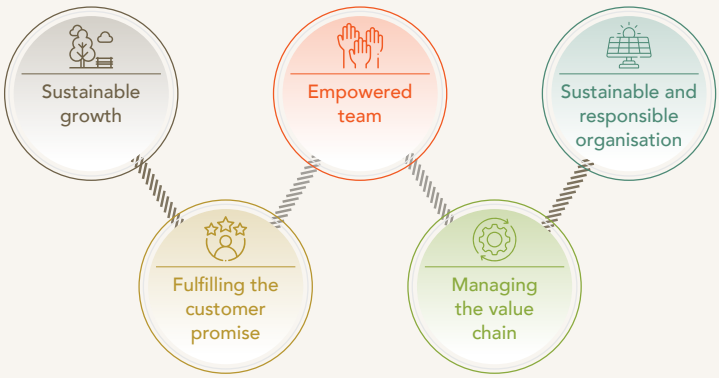
CCS – Vision

Our passion is to deliver pleasure and nutrition throughout people's lives, through exciting and superior products, whenever and wherever they choose to eat and drink.

JMSL – Vision

Improve the quality of life for the Nation.

Strategic Priorities



Delivered through our business verticals

Manufacturing Sector

Supermarket Sector

Underpinned by

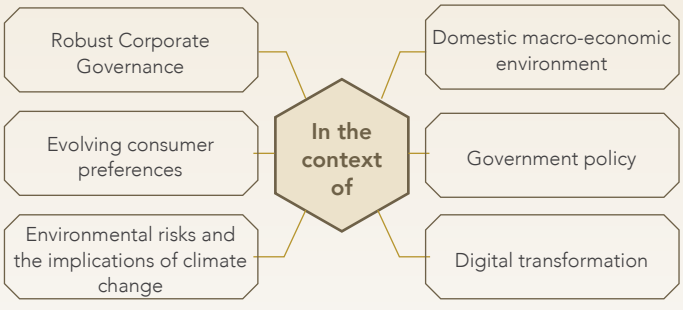
Robust Corporate Governance

Risk Management

And enabled by

Systems and platforms, Advanced data analytics and Artificial Intelligence

In the context of



Outputs	Outcomes	SDG alignment
Manufacturing **Beverages**  ➲ Carbonated soft drinks. ➲ Fruit drinks ➲ Water ➲ Fruit flavoured tea	Value delivered to our providers of capital is represented by ➲ Profit after tax: **Rs. 7.89 Bn (+32%)** ➲ Earnings per share: **Rs. 8.3 (+32%)** ➲ Net asset value per share: **Rs. 26.26 (+4%)** ➲ Return on equity: **32.15% (+5%)**	
	➲ Capital expenditure: **Rs. 10.42 Bn (+98%)** ➲ Introduction of world-class technology in Confectionery and capital enhancements in the Beverage Category. ➲ Addition of **9** new outlets and the upgrade of **6** outlets to Moonshot stores ➲ Property, plant and equipment: **Rs. 36.05 Bn (+20%)**	
Confectionery  ➲ Multiple serve ice cream ➲ Single serve ice cream ➲ Waffle cones ➲ Ice cubes ➲ Ice pops ➲ Frozen yogurt	A positive, rewarding, and equitable work culture that resonated with our team, ➲ Payments to employees: **Rs. 15.57 Bn (+28%)** ➲ Employee satisfaction rate: • Supermarkets: **82%** ➲ Training hours per employee: **24**	
Supermarkets  *A best-in-class retail experience*	➲ Value propositions that resonated with our extensive customer base. ➲ Expanded our value chain partner ecosystem through the addition of • Number of retail outlets: **>100,000** • New distributors and suppliers: **>600** ➲ Payments to suppliers: **Rs. 184.2 Bn (+20%)** ➲ Investments in supplier development: **Rs. 4.7 Mn** ➲ **Rs. 63.9 Mn** invested in impactful community engagement positively impacted over **13,630** individuals.	
	➲ New products launched (Manufacturing Sector): **31** ➲ Brand recognition awards: **13** • Elephant House – Sri Lanka's most valuable non-alcoholic food and beverage brand 2025 (Brand Finance, 2025) • Keells – Most Loved Supermarket Brand in 2025 (LMD Brands Annual, 2025) ➲ Investments in systems and platforms: **Rs. 1.5 Bn**	
Impacts Solid waste : **8,714 MT** (+34%) Effluents : **172,986 M³** (0%) Carbon footprint : **93,358 tCO_2e** (+14%)	Strategic efforts to minimise our environmental impacts led to ➲ Renewable energy generation : **88,236 GJ** ➲ Energy intensity Manufacturing : **0.916 GJ/1,000 Ltrs** ➲ Energy intensity Supermarkets : **0.144 GJ/Sqft** ➲ Water intensity Manufacturing : **3,655 Ltrs/1,000 Ltrs** ➲ Water intensity Supermarkets : **0.19 Ltrs/Sqft** ➲ Plastics recycled : **1,115 MT (+46%)**	

CAPITAL MANAGEMENT

Financial Capital

+ 17% in consolidated revenue

+ 32% in consolidated post-tax profit

+ 13% in consolidated assets

Created value for providers of capital through agile strategic interventions that captured market opportunities.

Manufactured Capital

Rs. **36.1** Bn
Property, plant and equipment

Rs. **5.3** Bn
Intangible assets

Rs. **8.9** Bn
Capital expenditure-PPE



Continued to invest in expanding our supermarket footprint, driving operational excellence while leveraging technology across the value chain to create value for stakeholders.

Human Capital



Team CCS
8,429

1,112
Employees
[Manufacturing Sector]

7,317
Employees
[Supermarket Sector]

Fostered an inclusive and equitable culture that rewards achievement, nurtures growth and empowers employees to thrive.

Social and Relationship Capital

Suppliers · Farmers · Channel partners · Customers · Community

Enhanced and evolved our value propositions to strengthen relationships while fostering community development.

Intellectual Capital

31
New products launched (Manufacturing Sector)

Sri Lanka's Most Valuable Non-alcoholic Food and Beverage Brand 2025 (Brand Finance, 2025)

The Beverage Brand of the Year

Most Loved Supermarket Brand in Sri Lanka (LMD, 2025).



Natural Capital

Enhancing energy intensity

Reducing our carbon footprint

Optimising water usage

Minimising plastic use and promoting recycling.

We continued to enhance the sustainability of the operations by actively minimising our impacts and promoting a circular economy.




Proudly
Sri Lankan
owned and
operated
for over
twenty five
years.
Keells
FRESH PRODUCE
FRESH

FINANCIAL CAPITAL

The Group's Financial Capital underpins its ability to execute strategy, sustain growth and deliver long-term value for stakeholders. Enhanced profitability, strong operating cash flows, disciplined capital allocation and prudent balance sheet management enable continued investment across Manufacturing and Supermarkets, while supporting shareholder returns and maintaining financial resilience amid a dynamic operating environment.

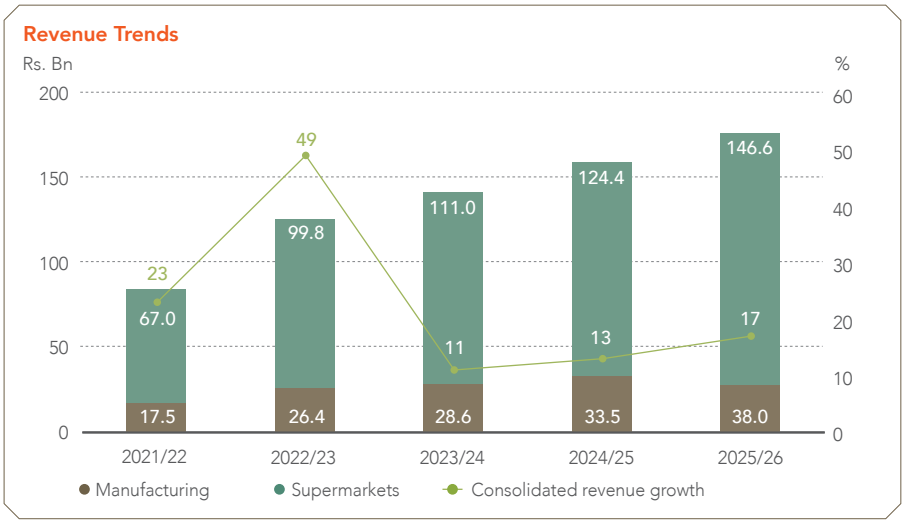
REVENUE

The CCS Group's consolidated revenue expanded by 17% to Rs. 184.6 billion in 2025/26, underpinned by strong performance in both the Manufacturing and Supermarket Sectors.

The Manufacturing Sector's revenue increased by 13% to Rs. 38.02 billion, driven by strong volume growth of 18% and 8% in the Beverage and Confectionery categories respectively, coupled with selective selling price increases implemented during the year to mitigate impact of the cost escalations. Volume growth was driven by improved consumer activity, strong seasonal demand, favourable weather conditions, competitor supply disruptions (in the beverage category), successful new product launches, and improved distribution.

The Supermarket Sector's revenue expanded by 18% to Rs. 146.57 billion driven by higher same-store footfall, enhanced and prepared food offerings, improved product availability, effective promotional campaigns, omnichannel expansion, outlet expansions.

The contributions of the Manufacturing and Supermarket Sectors to consolidated revenue remained broadly unchanged from the previous year, accounting for 21% and 79%, respectively.



GROSS PROFIT

CCS' consolidated gross profit increased by 14% to Rs. 25.92 billion in 2025/26 supported by strong topline growth, targeted cost management and productivity improvement initiatives undertaken in both Sectors. However, the consolidated gross profit margin declined marginally to 14.04% in 2025/26 from 14.40% in the previous year, primarily due to increased input costs, which were partially offset by selective selling price increases implemented by the Sectors.

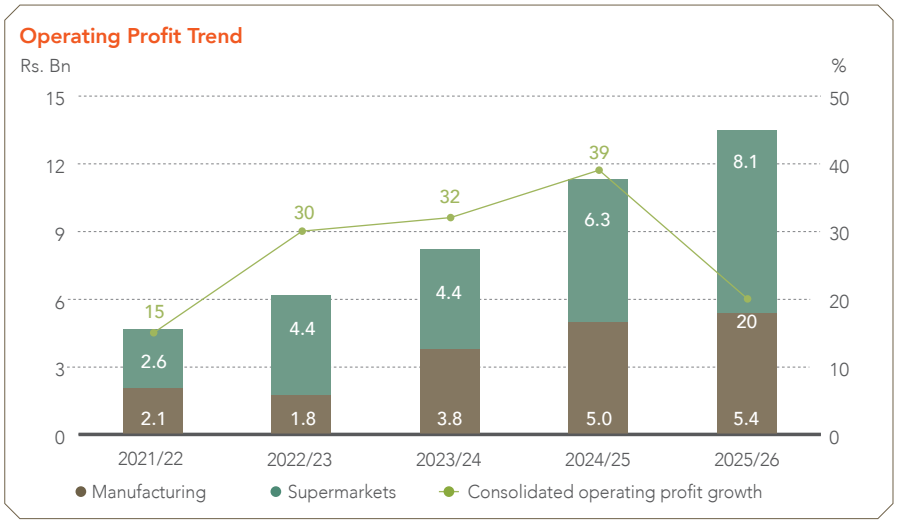
The overall gross profit margin of the Manufacturing Sector declined from 38% to 37% in 2025/26. This was mainly driven by a margin contraction in the Confectionery Category, impacted by escalating costs of key inputs in global markets, the depreciation of the Sri Lankan Rupee, and the effects of Cyclone Ditwah on demand and product distribution in 3Q 2025/26.The Beverage category supported overall performance with margin expansion during the year, driven by strong volume growth, selective selling price increases taken, and relatively stable input costs.

Meanwhile, the Supermarket Sector's gross profit margin remained stable at 8% in 2025/26, in line with the previous year, supported by broader topline growth, improved pricing in fresh categories, and stronger prepared food offerings, which attracted new customers and increased shopping frequency among existing customers.

OPERATING PROFIT

The consolidated operating profit rose by 20% to Rs. 13.58 billion, supported by strong performances in both the Manufacturing and Supermarket Sectors. Manufacturing operating profit increased by 8% to Rs. 5.44 billion, while Supermarket operating profit increased by a stronger 29% to Rs. 8.14 billion.

Despite higher sales volumes, the Manufacturing Sector's operating profit margin narrowed to 14% in 2025/26 from 15% in the previous year, due to higher input cost, exchange rate pressures, and the effects of Cyclone Ditwah. In contrast, the Supermarket Sector's operating profit margin improved to 5.6% from 5.1%, as revenue growth outpaced cost increases. As a result, the Group's consolidated operating profit margin increased to 7.4% in 2025/26 from 7.2% in 2024/25, supported by stronger operating performance in the Supermarket Sector.



The Group's selling and distribution expenses increased by 14% to Rs. 7.19 billion, driven by higher volume-linked trade marketing and sales team expenses, and strategic advertising and promotional activity. Administrative expenses also rose by 14% to Rs. 6.7 billion, mainly due to staff-related costs and increased IT expenditure to strengthen system infrastructure and enhance cybersecurity across the Group.

Other operating expenses rose by 18% to Rs. 3.18 billion, mainly due to the Social Security Contribution Levy (SSCL), which increased in line with revenue expansion and other income grew by 38% to Rs. 4.73 billion, driven primarily by promotional income from the Supermarket Sector.

PRE AND POST TAX PROFIT

The Group's Profit Before Tax (PBT) increased by 23% to Rs. 11.08 billion in 2025/26, with the Manufacturing and Supermarket Sectors contributing 45% and 55%, respectively, to total PBT.

Net finance costs increased by 8% to Rs. 2.52 billion, mainly driven by higher interest rates and increased borrowings required to support significant capital investments in both the Manufacturing and Supermarket Sectors, as well as higher working capital needs linked to revenue growth.

The Group's tax expenses increased by 5% to Rs. 3.19 billion in 2025/26 in line with the increase in profitability. Consequently, consolidated Profit After Tax (PAT) increased by a noteworthy 32% to Rs. 7.89 billion for the year.

CASHFLOW

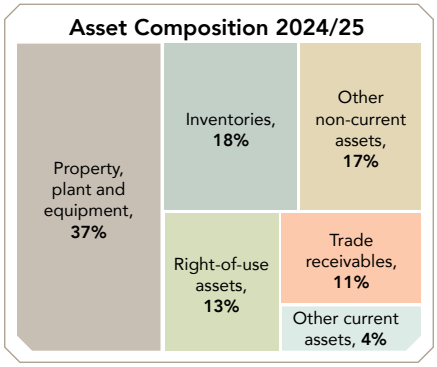
Net cash inflows from operating activities increased by 18% to Rs. 14.0 billion supported by the improvement in profitability. Net cash outflows from investing activities amounted to Rs. 10.39 billion, primarily driven by investments in plant and machinery in the Manufacturing Sector, outlet expansion in the Supermarket Sector, and investment in technology across both Sectors. Capital Expenditure in the Manufacturing Sector amounted to Rs. 4.78 billion while that of the Supermarket Sector amounted to Rs. 5.61 billion.

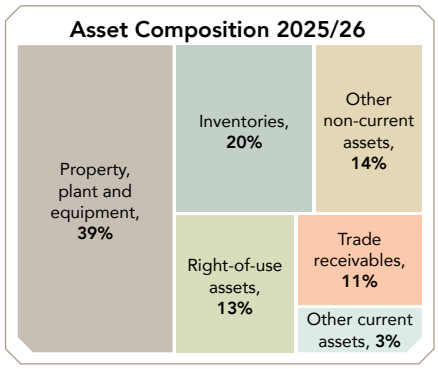
Despite higher dividend payments to equity holders, net cash from financing activities declined by 26% to Rs. 5.85 billion, mainly due to lessor debt repayments. As a result, the Group's cash and cash equivalents decreased by Rs. 2.24 billion during the year, reflecting higher investment in capital expenditure and working capital to support business growth.

ASSET STRENGTH

The Group's consolidated assets increased by 13% to Rs. 92.24 billion as at end-March 2026, driven by capital expenditure and higher working capital requirements in line with business growth. Total capital expenditure amounted to Rs. 10.42 billion in 2025/26 across the Manufacturing and Supermarket Sectors. In the Manufacturing Sector, capital investments were mainly directed towards Extrusion machinery and expansion in Cone bakery capacity in Confectionery Category operations. In the Supermarket Sector, investments focused primarily on outlet expansion, the establishment of Employee Support Centres, and store upgrades to the extended format. The Group also invested Rs. 1.51 billion in technology to advance its data analytics transformation programme, improve operational efficiency, and strengthen cybersecurity. Working capital investment also increased, with inventory value rising by 24%, trade receivables by 8%, and trade payables by 16%, in line with business expansion across both Sectors. Overall, the Group's asset mix shifted slightly, with non-current assets declining from 67% to 66% of total assets.

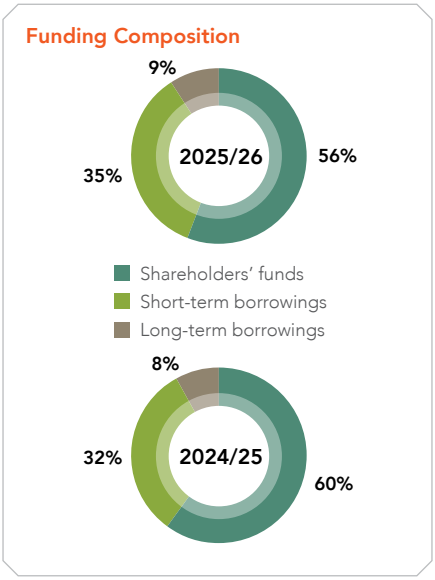
FINANCIAL CAPITAL





in the Supermarket Sector, in line with the Group's long-term growth strategy. Despite the higher borrowings, the Group maintained a healthy funding position, with equity finance accounting for 27% of total assets. Shareholders' funds grew by 4% to Rs. 24.96 billion, supported by strong profit generation during the year, reinforcing the Group's solid capital base.

Other components of equity declined by 27% to Rs. 3.64 billion as at end-March 2026, reflecting a Rs. 1.78 billion fair value adjustment in the Group's unquoted equity investment in Waterfront Properties (Pvt) Ltd.



SHAREHOLDER RETURNS

CCS' strong performance in 2025/26 translated into significant value creation for shareholders. The Group's Earnings per Share rose by 32% to Rs. 8.30, while its return on equity strengthened to 32.15% from 26.72% in 2024/25. The Board declared a final dividend of Rs.3.34 per share in addition to an interim dividend of Rs. 3.68 per share paid during the year. Resultantly, the total dividend per share rose by 30% to Rs. 7.02 for the financial year 2025/26 compared with Rs. 5.40 per share in 2024/25.

FUNDING PROFILE

The Group's total borrowings increased by Rs.3.15 billion to Rs. 19.15 billion, resulting in a gearing ratio of 77%, compared with 67% in the previous year. This increased long term borrowings undertaken to finance the capital investments in the Confectionery Category within the Manufacturing Sector, as well as the expansion of retail outlets

Value created for shareholders			
Value created	**2025/26**	2024/25	YoY % change
Earnings per share (Rs.)	8.30	6.27	32
Dividend per share (Rs.)	5.67	4.30	32
Net asset value per share (Rs.)	26.26	25.22	4
Return on equity (%)	32.15	26.72	5.4

WAY FORWARD

Manufacturing

- Expand capacity via targeted investments in advanced technology
- Drive topline growth through portfolio expansion and innovation
- Maintain pricing flexibility to protect margins
- Strengthen financial resilience against cost, energy, and forex volatility

Supermarkets

- Fund network expansion and omnichannel capabilities
- Invest in prepared food, private labels, and adjacent businesses
- Support diversification and sustainable earnings growth
- Maintain balance sheet flexibility amid changing consumer sentiment

MANUFACTURED CAPITAL

CCS Group's Manufactured Capital is critical to its value creation. In the Manufacturing Sector, it enables the efficient and uninterrupted production of the wide range of high quality Beverage and Confectionery portfolio while in the Supermarket Sector, it facilitates island-wide customer accessibility and a best-in-class retail experience.

OUR MANUFACTURED CAPITAL



The Manufacturing Sector's Manufactured Capital comprises 4 modern production facilities while the Supermarket Sector's extensive geographic footprint is complemented by a state-of-the-art distribution centre.

Rs. 10.4 Bn
Capital investment in 2025/26

Rs. 36.1 Bn
Property, Plant & Equipment as at end-March 2026

How we created value in 2025/26

- Commission of new Extruded line and blow molding line.
- Investments in centralised distribution and supply chain infrastructure to improve product availability, fill rates and freshness, supporting scale efficiencies across the retail network.
- Expansion of prepared food and food service offerings to enhance in-store experience and support higher-margin growth.
- Deployment of advanced data analytics to drive improved efficiency, enhance decision-making, and optimise overall business performance

Our plans for value creation in 2026/27

- Cold storage expansion
- Beverage category capacity expansion
- Commission machinery to revamp and expand the fruit juice portfolio to support the next phase of non-CSD growth.
- Expand the single-serve extrusion product portfolio to strengthen product superiority and innovation in Confectionery Category, while consolidating the existing single serve and multi serve range
- Strengthen omni-channel accessibility by leveraging both physical and digital touchpoints to support same-store sales expansion
- Enhance centralised distribution and supply chain practices to improve product availability, strengthen quality control (particularly in fresh), minimise waste, and improve traceability.

Our contribution to the SDGs

MANUFACTURED CAPITAL

ENHANCING THE VALUE OF OUR MANUFACTURED CAPITAL



Chairman's visit to the Extrusion Technology facility

Key investments in the Manufacturing Sector in 2025/26

- Introduction of extrusion technology for single serve ice cream manufacture.
- Capacity expansion for cone production to support the growth in the Confectionery category.
- High-speed PET blow moulding machine installation enhanced in-house bottle manufacturing capacity, reducing reliance on external suppliers and improving integration with downstream filling operations.



Distribution centre in Kerawalapitiya

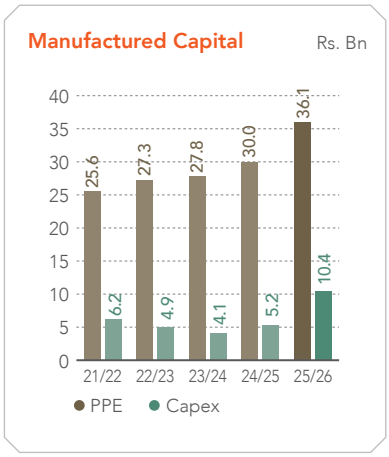
Key investments in the Supermarket Sector in 2025/26

- Opened 9 new supermarket outlets.
- Upgraded 6 supermarkets to Moonshot outlets.
- Completed the construction of 3 Employee Support Centres.
- Strengthened centralised distribution infrastructure, including continued investments in the Kerawalapitiya distribution centre, to improve availability, freshness, temperature control and product traceability across dry, fresh, chilled and frozen categories.
- Investments to expand prepared food and food service capabilities, including doughnut counters, in-house pizza ranges and training kitchens, to support scalability, product consistency and higher-value retail formats

INTRODUCTION OF WORLD-CLASS EXTRUSION TECHNOLOGY TO ELEVATE SINGLE-SERVE ICE CREAM OFFERINGS

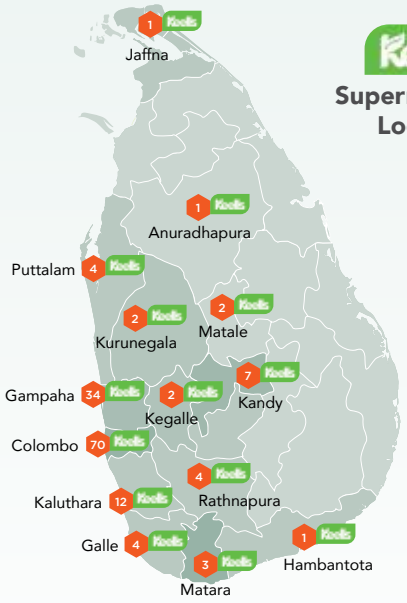
During the year under review, the Confectionery Category elevated its capabilities in single-serve ice cream production through a Rs. 2.0 billion investment in advanced extrusion technology at its manufacturing facility in Seethawaka. Extrusion technology enables the production of a multi-textured, single serve ice cream range that is comparable with leading international brands through precise layering, indulgent cores, rich inclusions, defined shapes and premium chocolate coatings. This technology also unlocks the potential for various innovative formats, and multi-textured frozen novelties. The Confectionery Category commenced the production of its extrusion line product range in January 2026 with the launch of 7 new SKUs under the IMORICH and Wonder brands. These included fruit shaped novelties and new premium range sticks.

The Group invested Rs. 8.9 billion in its property, plant and equipment in 2025/26 with the Manufacturing and Supermarket Sectors investing Rs. 4.6 billion and Rs. 4.3 billion respectively. Underpinned by capital investments, the Group's PPE increased by 20% to Rs. 36.1 billion as at end-March 2026 and accounted for 39% of total assets.





Can manufacturing plant in Ittapana



Supermarket Locations

Key highlights in 2025/26

09
New stores in 2025/26

1,674,504sqft
Retail area as at end-March 2026

STRONG SUPERMARKET PRESENCE

The Supermarket Sector continued to expand its geographic footprint to enhance customer convenience and accessibility. During 2025/26, the Sector opened 9 new outlets extending its retail network to 147 outlets as at end-March 2026. In addition, 6 outlets were upgraded to Moonshot outlets, reflecting a strategic focus on delivering an elevated retail experience.

Moonshot outlets are designed to deliver a best-in-class retail experience through an extended product range, a broader selection of prepared food offerings, in-store dining facilities, and the deployment of leading retail technology.

To support scale and operational efficiency, the Group strengthened its centralised distribution infrastructure, including continued investments in the Kerawalapitiya distribution centre, to improve product availability, freshness, temperature control and traceability across dry, fresh, chilled and frozen categories.

Investments were also made to expand prepared food and food service capabilities, including doughnut counters, in-house pizza ranges and training kitchens, supporting scalability, product consistency and the development of higher-value retail formats.

During the year under review, the Sector also expanded its EV charging stations across the supermarket network by 36, enhancing customer convenience by enabling vehicle charging during their store visit.

CENTRALISED PROCUREMENT, STORAGE & DISTRIBUTION FOR SUPERMARKETS

The Supermarket Sector has focused on centralising key supply chain functions including procurement, storage and distribution in recent years. This strategic emphasis has supported improved demand planning and inventory management, enhanced product quality and consistency particularly in fresh categories and facilitated timely distribution of products to stores. This in turn has resulted in an improved retail experience for customers through consistent product availability and a farm-to-store cycle of just 24 hours for fresh produce.

The Sector's 260,000 sqft distribution centre in Kerawalapitiya has enabled the centralisation of 100% of its inventory across dry, fresh and chilled categories. During the year under review, the Sector also centralised its frozen product range through partnerships with 2 third party service providers.

The operations of the distribution centre aligned with international best practice through ISO 9001:2015 Quality Management Systems and ISO:45001:2018 Occupational Health and Safety Systems accreditation. In 2025/26, the Sector also conducted an in-depth fire risk assessment in partnership with an expert fire consultant. A comprehensive fire prevention plan was developed and implemented which included, the installation of fire detection equipment, CCTV monitoring, fire resistant panelling and fire-fighting equipment.

The distribution centre's environmentally friendly design features which include solar power generation, rainwater harvesting and responsible water disposal remained operational during the year while consistent efforts were made to reduce plastic and single-use polythene consumption.

WAY FORWARD

Manufacturing

- Invest in production and cold storage capacity enhancement to support volume growth across core categories.
- Introduce advanced manufacturing technologies to enhance quality, innovation, and cost efficiency.
- Expand processing capabilities (e.g., extrusion, filling) to support premium and new formats.
- Improve operational resilience, including cold chain reliability and production uptime.
- Aligned manufacturing with evolving consumer trends, including smaller packs and PET-led formats.

Supermarkets

- Expand geographic reach through new store openings to improve accessibility and convenience.
- Grow Moonshot Stores to enhance customer experience.
- Strengthen distribution and supply chain infrastructure to improve availability, freshness, and traceability.
- Scale prepared food and food service offerings to drive in-store engagement and higher-value formats.

HUMAN CAPITAL

Our success is built on the strength of over 8,429 employees whose diversity, competency and commitment have enabled us to drive progress on our strategic aspirations. We, in turn, strive to create a supportive environment that enables employees to excel, by nurturing growth, valuing diversity and prioritising their wellbeing.

OUR HUMAN CAPITAL

MANUFACTURING SECTOR



A team of **7,317**

Rs. 40.5 Mn investment in training



SUPERMARKET SECTOR

A team of **1,112**

Rs. 107.2 Mn investment in training

Our teams operate across our manufacturing facilities, distributor locations, supermarkets, collection centres and head offices.

13%
Employee retention rate in 2025/26

82
Employee satisfaction score in 2025/26 (Supermarket Sector)

Rs. **15.6** Bn (+28%)
Payments to employees in 2025/26

How we created value in 2025/26

- Completed the decentralisation of HR governance in the Supermarket Sector enabling deeper engagement with outlet staff.
- Laid the groundwork for the development of a refreshed Employee Value Proposition (EVP) in the Manufacturing Sector.
- Nurtured a future-ready team through a series of focused training and development initiatives which included Artificial Intelligence related training, leadership development, and sales team engagement sessions among others.
- Launched the Employee Wellbeing Framework for employees in the Supermarket Sector.
- Launched the 'She Rises-Self Care' programme in the Supermarket Sector to promote female career progression.
- Numerous employee engagement activities to foster collaboration and teamwork.

Our plans for value creation in 2026/27

- Launch a refreshed Employee Value Proposition (EVP) within the Manufacturing Sector to respond more effectively to employee expectations while supporting business growth.
- Ongoing competency assessments to ensure recruitment and training aligns with Group strategic requirements.
- Focused succession planning.
- Utilise data analytics and technology to automate routine HR operations and streamline employee journey management.
- Drive progress on the five strategic pillars of excellent customer service, employee wellbeing, compensation and benefits, team knowledge and development, outlet culture within Supermarket Sector.

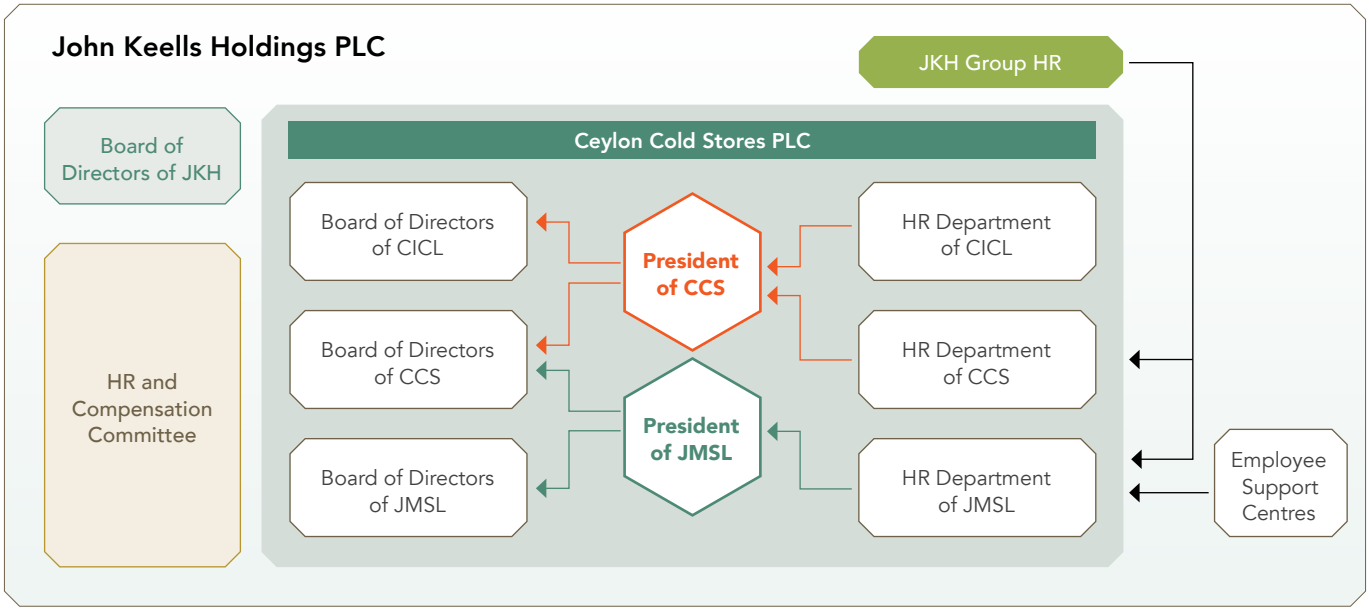
Our contribution to the SDGs

GOVERNANCE STRUCTURE

CCS Group's people management framework aligns with the policies and procedures of its parent entity, John Keells Holdings PLC. The Group's 'People Promises' outlines its commitment to its team while the Group's Code of Conduct guides employee behaviour in line with organisational values.

The Manufacturing Sector adopts a centralised approach to people management, with the Sector's HR function formulating and operationalising its HR strategy. The Supermarket Sector has progressively decentralised talent management over the last two years, with successful completion in 2025/26. Under its decentralised approach, the Sector's corporate HR function formulates HR strategy, sets HR policies and provides overall oversight while the three regional Employee Support Centres implements the HR strategy and manages outlet related HR operations. Decentralising its talent management structure has enabled deeper engagement with the Sector's large workforce of over 8,429 employees, streamlined HR operations and facilitated a swifter response to team needs.

The CCS Group's HR Governance Structure in 2025/26 is given below.



The operations of the Manufacturing and Supermarket Sectors complied with all labour laws and HR related legal requirements with no monetary losses incurred due to legal proceedings associated with labour law violations and employment discrimination. No incidents of discrimination were also reported during the year under review. The Group maintains a zero-tolerance policy related to child labour and forced/compulsory labour within its operations and across its value chain. No incidents of child labour and forced/compulsory labour were reported during the year under review.

OUR PEOPLE PROMISES

Manufacturing	Supermarkets
A boss who helps me.	A boss who helps me.
We live our values.	I can grow and develop.
We promise exciting and rewarding jobs.	I have a healthy workplace.
You can learn, grow and develop.	We live our values.
You can make a difference.	I have a future.

HUMAN CAPITAL

TEAM PROFILE

The CCS Group comprises approximately 8,429 employees with 58% employed on a permanent basis. During the year under review, the Supermarket Sector introduced part-time employment for specific job roles with 60 team members recruited on a part-time basis for shelf replenishment at supermarket outlets whereas the Manufacturing Sector does not employ staff on part time basis. Outsourced staff comprise a team of 297 individuals who engage in non-core activities such as janitorial, security, canteen, etc. at our manufacturing facilities and offices.

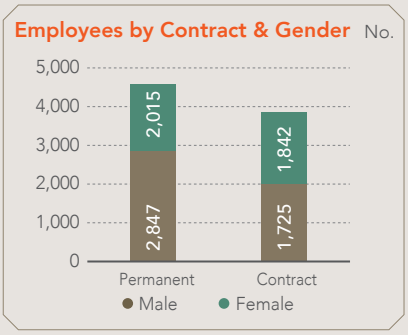
Our Team Profile

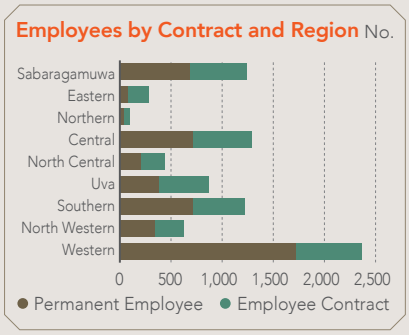
Our team **8,429**

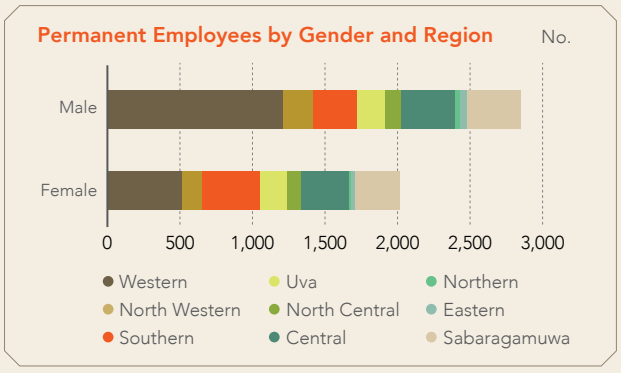


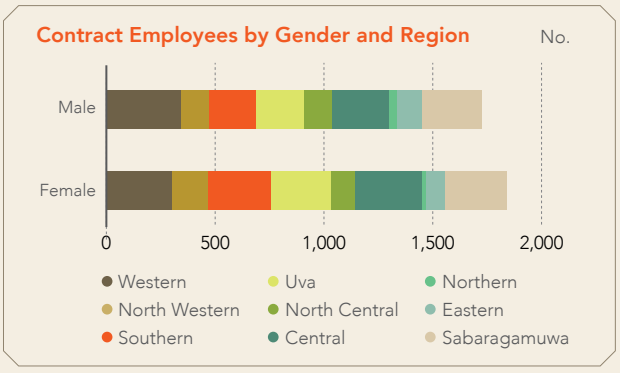
4,862 Permanent employees

3,567 Contract employees









Age diversity of our team

By Category	<30 yrs	30-50 yrs	> 50 yrs
AVP and above	0	35	9
Managers	4	89	10
Assistant Managers	47	153	20
Executives	541	462	17
Non-Executives	5,885	937	220
Total	6,477	1,676	276

100%

Senior management hired from the local community

Trade union representation

98%

of the Manufacturing Sector's non-executive cadre at the Ranala factory are members of trade unions.

Diversity, Equity and Inclusion



46%

Female representation in the workforce

By Category	Male	Female	% of Female Employees
AVP and above	36	8	18%
Managers	79	24	23%
Assistant Managers	171	49	22%
Executives	641	379	37%
Non-Executives	3,645	3,397	48%
Total	4,572	3,857	46%

RECRUITMENT AND TURNOVER

Link to SRROs and CRROs

SRR 6

Skilled labour availability and capability risk

SRO 5

Workforce Capability Development and Technology Integration Readiness

The Group places strategic focus on recruiting and retaining the right talent to drive progress on its strategic aspirations. The Manufacturing Sector focused on strengthening its employer branding and engaging with multiple recruitment channels to build talent pipelines. Additionally, the Sector also conducted an in-depth assessment to identify the core competencies required to strengthen its sales teams to guide future recruitments. Meanwhile the Supermarket Sector maintained its focus on nurturing internal talent and developing opportunities for career progression.

Recruitment and turnover in 2025/26

10,016
Recruitment (No.)

8,183
Turnover (No.)

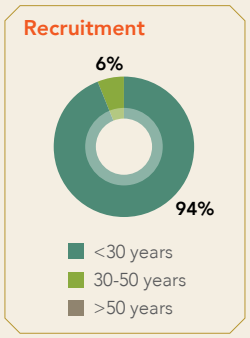
By Gender

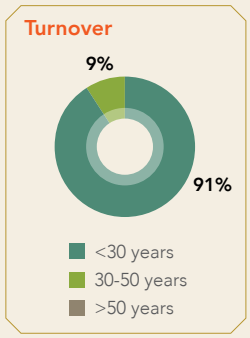
Female	Male
4,959 (50%) Recruitment (No.)	**5,057** (50%) Recruitment (No.)
3,902 (48%) Turnover (No.)	**4,281** (52%) Turnover (No.)

By Region

By Region	Recruitment		Turnover	
	No.	%	No.	%
Western	2,134	22%	1,952	23%
Central	1,594	16%	1,324	16%
Southern	1,482	15%	1,276	16%
Uva	1,192	12%	887	11%
Sabaragamuwa	1,534	15%	1,132	14%
North Western	848	8%	708	9%
North Central	626	6%	487	6%
Northern	116	1%	112	1%
Eastern	490	5%	305	4%

By Age





Recruitment	No.
<30 years	9,443
30-50 years	565
>50 years	8

Turnover	No.
<30 years	7,438
30-50 years	718
>50 years	27



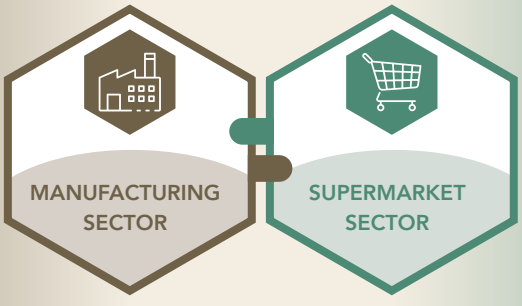
OUR PEOPLE STRATEGY IN 2025/26

Talent
To attract and retain the right talent to grow our business.

Capabilities
To develop individuals' competencies to deliver business excellence.

Culture
Create a great place to work supporting business excellence.

Welfare and wellbeing
To improve emotional engagement



- Excellent customer service
- Employee wellbeing
- Compensation and benefits
- Team knowledge and development
- Outlet culture

HUMAN CAPITAL

PRIORITISING EMPLOYEE HEALTH AND WELLBEING

Promoting the overall wellbeing of our team while safeguarding their health and safety within our work environment is a key priority for the Group.

A SAFE WORK ENVIRONMENT

The Group has implemented a comprehensive occupational health and safety framework to safeguard all employees from workplace related hazards and injuries. The framework comprises policies and safety standards for workplace hazard identification and mitigation which have been developed in line with ISO 45001:2018 Occupational Health and Safety Management Systems.

The Group's occupational health and safety framework comprises

- Periodic evaluation of occupational health and safety risks and hazards across its operations.
- Formal safety committees which meet weekly to assess occupational health and safety concerns and strategies for mitigation. The Group's safety committees comprise representatives from management and workers, fostering open communication and a culture of proactive risk assessment and management.
- Periodic internal audits, Gemba walks, and a formalised system for reporting near-misses and unsafe conditions to support proactive identification and mitigation of occupational health and safety risks.
- An independent, annual external audit of the Group's occupational health and safety processes.
- Systematic records of all workplace injuries. This enables pattern identification and root cause analysis which enables the implementation of effective strategies to prevent recurrence. These include additional training, awareness, and replacement of machinery if necessary.

Link to SRROs and CRROs

SRR 7

Workplace Health and Safety

- Mandatory health and safety training for all new recruits.
- Mandatory fire training at all supermarkets on a bi-annual basis.
- Safety signs at all supermarket outlets and production facilities.

Health benefits provided by Manufacturing Sector to team members include,

- An on-site medical centre for team members at the Ranala factory.
- Annual health checkups for factory workers.
- Medical insurance covering both occupational and non-occupational health related concerns for all employees and workers who are not employees.
- Gym membership at a concessionary rate.

EMPLOYEE WELLBEING

The Supermarket Sector launched an Employee Wellbeing Framework to support the overall mental, physical, emotional and financial wellbeing of its team.



In line with the objectives set out in the Framework, the Group conducted two key initiatives in 2025/26.

Drug prevention awareness

This programme was conducted in collaboration with the Dangerous Drug Prevention Authority (DDPA). A DDPA officer conducted on-site awareness sessions for team members on the dangers associated with drug abuse. The programme was conducted across all outlets, raising awareness among 6,000 employees.

Additionally, we also raised awareness of state-run drug rehabilitation programmes, in the event extended family and friends of team members were seeking assistance.

Counselling and mental wellbeing

We created Peace Pods, a dedicated space to support the mental wellbeing of our team through counselling. An external counsellor visits the Peace Pods weekly, with employees able to consult with him/her through prior appointment. The Sector offered three free sessions to each employee. Since its introduction in October 2025, 16 counselling sessions have been conducted.

Meanwhile, the Manufacturing Sector launched "Wings of Calm" to support the mental wellbeing of its team in navigating challenging stressful situations.

Our health and safety record of the permanent employees for the year is given below.

	Total
Occupational injuries and diseases	187
Due to falling	51
Due to explosions and exposure to harmful rays/substances	8
Due to lifting or moving heavy items	110
Due to cuts, pricks and sharp objects	6
Due to electrocution	3
Due to natural disasters and other causes	9
Instances of work-related ill health and number of fatalities	182
Total No. of lost days due to occupational injuries/diseases	737
Health and safety training hours	23,408

CREATING A CULTURE OF LEARNING

Link to SRROs and CRROs

SRR 6

Skilled Labour Availability and Capability Risk

SRO 5

Workforce capability development and technology integration readiness

CCS Group actively promotes employees' growth and career progression through structured training and development opportunities that strengthen core competencies required for organisational success. Customised training plans are developed for each employee at the beginning of the year, considering skill gaps identified during the mid-year and year-end performance reviews as well as organisational needs. Training is delivered through structured learning as well as through personalised coaching and mentoring.

Accelerating innovation

The Manufacturing Sector organised a week long programme dedicated to fostering an innovative mindset and accelerating an innovative culture across the Sector. This included,

- **InnoSprint**

  Renowned industry and academic professionals known for their unorthodox thinking and passion for transforming Sri Lanka's technical and business landscape were invited to conduct knowledge sharing session to inspire and empower cross-functional teams.

- **Rise & Redesign**

  This initiative focused on the strategic use of design thinking as a model for innovation-led solutions.

- **Synergy**

  Manufacturing Sector partnered with the Wayamba University of Sri Lanka, Sabaragauwa University of Sri Lanka and Rajarata University to explore collaborative research that benefits both the scientific community and the food industry.



Industrial visit at Pyramid Wilmar

- **IdealLink – the Innovation Task Force (ITF)**

  Comprised a six-member cross-functional team established to accelerate innovation and enable a structured, streamlined approach to open innovation across Manufacturing Sector.

- **The Catalyst**

  An internal newsletter aimed at disseminating knowledge and strengthening collaboration to foster a innovation drive work environment.

HUMAN CAPITAL

The Manufacturing Sector also partnered with the Postgraduate Institute of Management to develop the leadership skills of senior executives. This 6 month programme focused on developing forward thinking, high-potential leaders through classroom discussions, project work and team collaboration.

Leadership and professional development programmes focusing on leadership & performance excellence and personnel branding were conducted to strengthen strategic thinking, communication, coaching capabilities and leadership presence across management levels.

Manufacturing Sector conducted following initiatives to develop sales staff leadership skills.

- Launched Sales Management. Masterclass to strengthen sales leadership and sales excellence practices.
- Introduced Leadership Coaching Programme for Managers and above to enhance strategic thinking and decision-making.
- Implemented Sales Managers Development Programme to build 360° sales leadership capabilities.
- Launched LeadNova Programme to develop future leaders within front-line sales teams.

Additionally, the Sector also conducted specialised training for its Modern Trade Teams.

Digital transformation and innovation capabilities were further supported through programmes such as "Alvolution - Evolution through AI", which focused on integrating AI-driven solutions to improve work processes, efficiency and accuracy in task execution.

Employee wellbeing and organisational culture initiatives including "Mindfulness – Women Centric Training Programme" and "Embracing Marvel Moments" supported employee engagement, wellbeing and the reinforcement of organisational values and workplace culture.

Technical and operational capabilities were strengthened through specialised programmes focusing on Ammonia Safety Awareness, Forensic Auditing Training and Training on Good Laboratory Practices, which enhanced safety awareness, compliance and functional expertise across relevant teams.

24 hrs
Average hours of training per employee per year

Rs 148 Mn
Investment in training and development

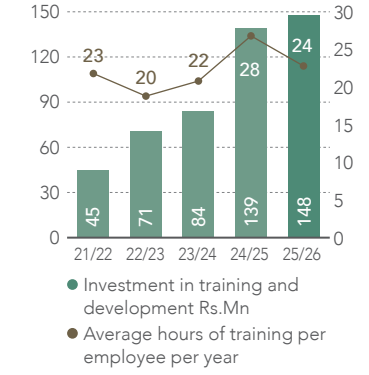
Meanwhile, the establishment of modern training rooms and training kitchens at the three Employee Support Centres elevated in-person training delivery in the Supermarket Sector. All new recruits for the Sector's hot kitchens undergo a 6-week training programme at the training kitchens to equip them with the skills required to prepare the broad range of hot food offerings in-store. This programme also enforces health and safety standards as well as quality control and consistency. All those onboarded as cashiers and customer service associates complete one week of training prior to assuming responsibilities at an outlet. The availability of dedicated training facilities has also enabled a shift towards in-person training which increased to approximately 80% of training delivered in 2025/26 compared with 60% the previous year.

During the year under review, the Supermarket Sector launched the Knowledge Hub which serves as a central repository for organisational tacit knowledge across job roles, department processes, systems and workflows. The Knowledge Hub supports new recruits and individuals assuming new roles within the Sector by equipping them with the knowledge required to perform their role effectively from the outset.

Focus on developing future leaders continued into 2025/26 in the Supermarket Sector. Accordingly, 15 individuals identified as potential successors for C-Suite and other critical positions within the Sector were offered personalised mentoring and coaching. 10 supermarket outlet managers also participated in the Retail Leadership programme conducted by the Retail Association of Sri Lanka.

Average training hours (by Category)	2025/26	2024/25
AVP and above	10	7
Manager	23	33
Assistant Manager	25	31
Executive	27	18
Non-executive	23	29
Total	24	28

Investment in Training and Development



INDUSTRIAL RELATIONS

CCS Group safeguards its employees' right to freedom of association and collective bargaining. Approximately 98% of the Manufacturing sector's Non-Executive cadre at the Ranala factory hold trade union membership while employees of the Supermarket Sector are not represented by trade unions. The Manufacturing Sector engages openly with trade unions and provides a reasonable amount of notice prior to implementing operational changes. During the year under review, the Manufacturing Sector focused on strengthening relationships with trade unions through numerous engagement and wellbeing initiatives. Cordial relations were maintained with trade unions during 2025/26 with no disputes, work stoppages or idle days due to industrial action.

BENEFITS AND REMUNERATION

Employee rewards and benefits are governed by CCS Group's Remuneration Policy which ensures fair and equitable compensation for all employees. During the year under review, the Group revised its employee remuneration to reflect the increase in the national minimum wage.

All permanent executive employees who completed their probation period before 31st March 2026, received performance appraisals in 2025/26 with executive rewards linked to performance. The remuneration of unionised employees in the Manufacturing Sector was determined by collective agreements negotiated every three years.

The Supermarket Sector provides a range of benefits for outlet staff which include free/subsidised meals, accommodation, uniforms and transport at night. During 2025/26, the Sector also standardised its processes for monitoring and improving the quality of benefits provided to outlet staff through the HR teams based at the Employee Support Centre.

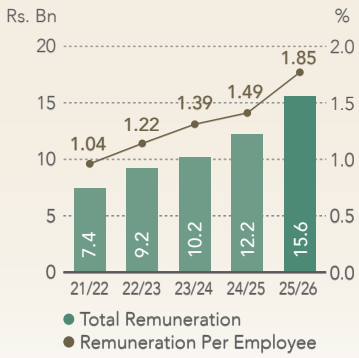
BENEFITS AT CCS GROUP

CCS Group provides the following benefits to full time employees.

- Basic salary
- Travelling allowance/Transport
- Annual bonus
- Incentives
- Meals
- Staff coupons
- Medical Insurance
- Accommodation
- Uniforms

Contract staff are entitled to the same benefits except the annual bonus and travelling allowance.

Payments to Employees - CCS Group



DIVERSITY, EQUITY AND INCLUSION

The Group has consistently placed strategic focus on creating an inclusive work environment that celebrates diversity. Its HR policy framework which includes policies for equal opportunity, anti-sexual harassment and non-discrimination underpins CCS Group's strategic focus on fostering an enabling environment for female team members.

She Rises – Self Care programme

Aligned with its broader focus on increasing female representation at senior levels, the Supermarket Sector launched the "She Rises – Self Care" programme in 2025/26. This programme aims to build confidence among women in middle management roles to pursue progress in their careers. The programme focused on strengthening leadership capabilities, challenging perceptions, mastering work-life and promoting physical, emotional and wellbeing utilising a range of techniques including roundtable discussions, vision board meetings and group activities. Approximately 25 female employees participated in this programme in 2025/26.

Other initiatives implemented by the Group to foster an enabling environment for female team members in 2025/26 included,

Manufacturing

- Gender-balanced recruitment processes.
- Dry ration packs for pregnant employees, subsidised day care facilities for children and the provision of hygiene products for female employees.
- Health checks and breast cancer awareness sessions for women.
- Livelihood opportunities for women through the Dinannee programme in Confectionery category. This programme encourages women to join the Category as distributors, mobile unit operators, parlour operators and sales representatives.

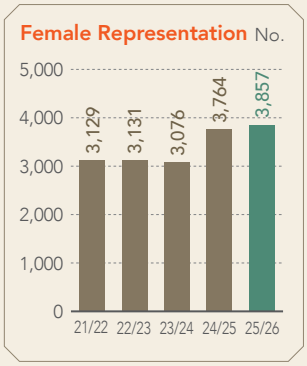
Supermarkets

- Maintained alignment with sector diversity, equity and inclusion policies and targets with the 'One JKH' targets of the parent entity.
- Gender-balanced recruitment processes.
- Celebrating the contribution of female employees through the "She Inspires" and "She Rises" awards.
- 3 female empowered supermarket outlets operated entirely by female employees.
- Women's Day programme.

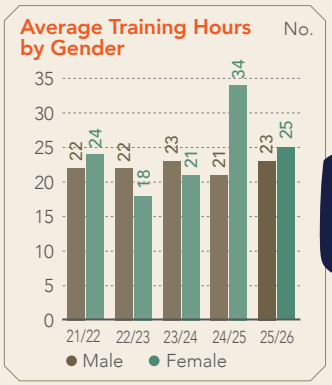
Diversity, Equity and Inclusivity Indicators for 2025/26

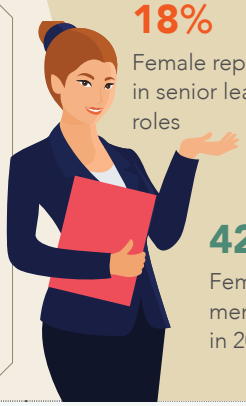


3,857
Female representation in Team CCS in 2025/26



Female representation by Category			
By Category	Male	Female	% of Female Employees
AVP and above	36	8	18
Managers	79	24	23
Assistant Managers	171	49	22
Executives	641	379	37
Non-Executive	3,645	3,397	48
Total	4,572	3,857	46





18%
Female representation in senior leadership roles

423
Female team members promoted in 2025/26

62%
of female employees returned to work after maternity leave

50%
of female employees retained after one year of taking maternity leave



All permanent employees of CCS Group are entitled for parental leave.

Paternity/Maternity leave	Paternity leave	Maternity leave
	Number	
Paternity/maternity leave availed	78	39
Returned to work after paternity/maternity leave	69	24
Resignations after paternity/maternity leave	7	14
Retained within the organisation after 12 months of taking paternity/maternity leave	37	13

88%
of male employees returned to work after paternity leave

60%
of male employees retained after one year of taking paternity leave

EMPLOYEE ENGAGEMENT

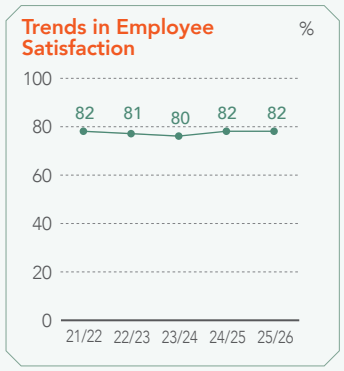
CCS has consistently invested in nurturing an organisational culture that reflects its core values. The Group engages with its team through multiple engagement channels to understand their views and concerns. These insights are integrated into the Group's HR strategy to facilitate a more supportive and responsive work environment.

Both the Manufacturing and Supermarket Sectors utilise a range of engagement channels to obtain employee insights as listed alongside. To enhance the experience of new recruits and improve retention, the Supermarket Sector introduced a structured discussion forum for employees completing 45 days of employment to discuss their onboarding and initial experience with the Sector. This feedback informed the Sector's strategic initiatives in creating a more supportive environment for new recruits.

Meanwhile the Manufacturing Sector consolidated feedback gathered from multiple engagement channels with business needs identified through interviews with senior management to arrive at the basis for developing a new Employee Value Proposition (EVP). Furthermore, Sales Connect continued to strengthen the engagement with sales teams through in-person discussions that focused on gaining deeper insights into day-to-day challenges to facilitate mitigation action.

Reflective of our commitment to fostering a culture that motivates and engages our team, employee satisfaction level in Supermarket Sector remained consistent with previous years.

Supermarkets





Genext 25 - knowledge competition

Marvel Moments programme

Building on the Manufacturing Sector's longstanding 'Living Values' programme, this initiative aimed to embed the Sector core values into organisational culture to foster integrity, teamwork, respect and excellence across all levels of the workplace.

Genext

Organised by the Supermarket Sector, this knowledge competition engaged over 820 employees in the sector.

Women's Day programme

The Women's Day programme celebrated the contribution of our female employees to Group success while fostering a culture of inclusivity and equity.

Fostering collaboration and camaraderie

A year-round engagement calendar rolled out across the Manufacturing and Supermarket Sectors continued to foster collaboration and strengthened employees' sense of belonging. Key engagement events conducted in 2025/26 included,

- Badminton tournament
- Participated in the Tag Rugby tournament organised by the JKH Group where CCS emerged as the winners.
- Snooker tournament
- Photography competition
- Annual Sector get togethers
- Staff trips
- Celebration of religious festivals (Vesak, Thai Pongal and the New Year)
- Factory visits
- Cricket carnivals

Tag Rugby tournament organised by JKH Group

WAY FORWARD

Manufacturing

- Strengthen leadership and technical capability pipelines to support manufacturing capacity expansion, automation, and new technologies
- Embed productivity-linked performance management to align efficiency with capacity and cost goals
- Improve workforce flexibility and multi-skilling to respond to demand changes and new product needs
- Reinforce safety, quality, and compliance through training and system-based monitoring
- Use HR analytics to proactively manage attrition, absenteeism, and skill gaps in key roles
- Succession planing
- Better rewards and recognition

Supermarkets

- Build a customer-centred workforce through training and engagement
- Develop store-level leadership for consistent execution
- Improve employee retention through better rewards and career paths
- Aligned workforce planning with business needs
- Promote a high-performance culture with continuous developments

INTELLECTUAL CAPITAL

Our Intellectual Capital, which comprises extensive recipe library, data-led market insights, a portfolio of beloved brands and a commitment to innovation, offers us a competitive edge amid shifting consumer preferences and a dynamic market landscape.

OUR INTELLECTUAL CAPITAL



Sri Lanka's Most Valuable ***Non-alcoholic Food and Beverage Brand 2025*** *(Brand Finance, 2025)*

Sri Lanka's Most Loved ***Supermarket Brand*** *(LMD, 2025)*

How we created value in 2025/26

- Utilised data analytics to obtain deeper insights into evolving consumer preferences and strengthen operational efficiency.
- Strategic activations to strengthen the brand equity of our brand portfolio.
- New product development
  - Launched 24 new products in the Confectionery Category including 7 premium products utilising extrusion technology
  - Launched 7 new products in the Beverage Category

Our plans for value creation in 2026/27

- Consistent emphasis on strengthening the Group's data strategy and AI based intuitive interfaces to facilitate enhanced user engagement.
- Enhance the Keells Nexus mobile app to facilitate personalised customer engagement.
- Ongoing emphasis on strengthening brand affinity particularly among younger audiences.
- Product innovation in line with evolving consumer preferences.

Our contribution to the SDGs

FUTURE-FOCUSED TECHNOLOGY INVESTMENTS

CCS Group continued to advance its digitalisation strategy in 2025/26. The Manufacturing Sector invested in numerous new systems and platforms to enhance operational efficiency and support sales teams in the field. Meanwhile, in the Supermarket Sector, technology played a pivotal role in enhancing direct customer engagement and strengthening its omni-channel presence.

Manufacturing	Real-time temperature tracking within the cold chain (Beelive initiative)	Integrates data obtained from Internet of Things (IoT) sensors installed in freezer trucks, distribution networks, power meters and the manufacturing process into a single centralised monitoring solution, enhancing real-time temperature tracking, and energy and equipment performance monitoring.
	Upgrades to SURGE – Sales Force Automation	➲ Introduction of new modules to strengthen sales and elevate performance and also to support use case implementation ➲ SURGE is now enhanced with AI-driven insights, enabling the sales team to act smarter, respond faster, and stay ahead in execution. ➲ SURGE now enables seamless digital agreement automation for field assets, streamlining approvals, improving compliance, and reducing manual effort across the process.
	WhatsApp Business platform	The WhatsApp Business initiative enables real-time, conversational engagement with sales teams, distributors, outlets, and consumers through dedicated channels. It supports order placement, inquiries, and instant responses, significantly improving accessibility, responsiveness, and overall engagement experience.
	Transportation Management System	This system was implemented at the CCS Ranala factory to optimize route planning, reduce manual operational work and enhance overall delivery efficiency of frozen confectionery delivery operations.
	SAP HANA migration	Through Project PULSE, the Consumer Foods Sector successfully transitioned from SAP ECC to the latest RISE with SAP S/4HANA platform, establishing a modern digital core that enables greater agility, real-time insights, and scalability to support future growth and innovation.
	Workflow Automations	Over the past year, the Consumer Foods sector has further enhanced its workflow automation journey by building on existing processes to reduce manual effort and improve efficiency, while supporting both manufacturing and sales teams in streamlining operations, improving accuracy, and enabling faster, more informed decision-making.

Supermarket	Nexus loyalty app	Launched in February 2026, the Supermarket Sector's Nexus loyalty mobile app offered customers a single intuitive, streamlined interface to view personalised promotions, rewards and account information. The app features modern QR based registrations and real time updates on offers and reward points. The launch of the mobile app required investments in numerous IT systems including Salesforce Marketing Cloud and Salesforce middleware to optimise back-end functionality and deliver a world-class experience to customers. 
	Omni-channel service delivery	The Sector developed a system in-house to integrate multiple on-demand delivery platforms to improve order monitoring and fulfillment efficiency at stores.
	Cybake	A data-driven forecasting system for prepared food to improve demand accuracy, reduce waste and optimise production planning.

DATA ANALYTICS AS A STRATEGIC ENABLER

Collaborations with Octave, the John Keells Group's data and advanced analytics division, continued to support the use of data analytics in enhancing strategic decision-making and driving operational performance.

Data Lakehouse and Elee Implementation

During the year under review, both the Manufacturing and Supermarket Sectors began the implementation of Data Lakehouse, a single, governed data platform which aims to unify data from multiple systems into a single source of truth. This data lakehouse will enable deeper, holistic organisational insights through real-time and predictive analytics, significantly strengthening the Group's strategic decision-making processes.

The Consumer Foods sector introduced ELEE as an AI-powered virtual assistant through the SURGE platform, leveraging insights from the data Lakehouse to enhance sales team effectiveness by providing timely, data-driven insights, improving decision-making, and enabling more efficient field operations

The implementation of Elee across systems has,

- Simplified the way customers access information about our products and companies on our corporate website.
- Enhanced sales teams' productivity and accountability through target vs achievement questionnaires and real-time month-to-date performance insights.

Customer Centricity programme

The Supermarket Sector's Customer Centricity initiative applied a customer lens to cross-functional data insights to better understand customer needs and elevate the customer experience. Customer data, lifestyle segmentation and behavioural insights were embedded into analytics-driven decision frameworks enabling more targeted, timely, and relevant customer engagement across key touchpoints. It also supported optimisation across the dry and fresh product range, pricing, store operations and loyalty management creating a more coordinated engagement ecosystem and enabling clearer measurement of customer and commercial impact.

Advanced data analytics use case implementation

Numerous Advanced data Analytics use cases have also been implemented in both the Manufacturing and Supermarket Sectors to drive performance and operational efficiency. These use cases have aided the business in driving healthy and sustainable margins while ensuring customers receive value for their money and more relevant information.

The Manufacturing Sector continued to expand the use of advanced analytics and data-driven decision-making across key operational and commercial functions during the year. These initiatives contributed towards improving resource utilisation, strengthening market responsiveness and enhancing execution across the value chain.

The Supermarket Sector advanced its analytics transformation programme through the rollout and scaling of multiple data-driven use cases across core business functions, translating analytics-driven insights into frontline business interventions and operational value.

These initiatives have contributed to improved margins, operational efficiencies and better product positioning while paving the way for improved customer centricity and servicing.

Sector	Use Case	Description
Manufacturing	Sales and distribution optimisation	Enhanced distribution and sales execution through improved sales routines and distributor engagement models, supporting stronger operational efficiency and commercial performance.
	Production planning	Streamlined factory output in line with market demand, enabling improved operational planning and resource utilisation.
	Promotion and discount effectiveness	Data-driven insights supported improved market execution, customer engagement and resource allocation.
	Logistics and route optimisation	Operational efficiencies were strengthened through improved planning and optimisation across distribution and logistics activities.
Supermarket	Optimisation of in-store operations	Improved store operations through enhanced space utilisation, shelf availability and staff planning.
	Supply chain efficiency	Strengthened inventory management and procurement processes to support operational efficiency and product availability.
	Optimisation of pricing and promotions	Supported improved sales performance and margins through data driven pricing and promotional strategies.
	Marketing effectiveness	Enhanced customer reach and resource utilisation through more targeted and effective marketing initiatives.

CYBERSECURITY AND DATA PROTECTION

Link to SRROs and CRROs

SRR 9

Inadequate data privacy protection

SRO 8

Cybersecurity Maturity and Digital Transformation Enablement

During the year, CCS strengthened its cybersecurity and compliance posture through collaboration with Group IT. A major achievement was the contribution to the Zero Trust Enforcement Project, supporting the implementation of over 60 security policies across the sector, resulting in compliance and alignment with Group IT standards. This was complemented by 100% completion of feasible E&Y audit recommendations and engagement with leadership through reporting, compliance tracking.

From an assurance and operational perspective, external and internal security assessments were conducted, covering applications, networks, and cloud environments. These included vulnerability assessments, CIS maturity evaluations, and a security review of the Surge (Sales Force Automation)application. Notably, internal vulnerability assessments were introduced as a new initiative, strengthening proactive risk identification within the sector. Security incident management was maintained with incidents effectively investigated, and resolved in line with defined procedures. In parallel, a sector-wide digital security training programme was launched, enhancing user awareness, while groundwork for a phishing simulation initiative reached near completion, positioning the sector for further maturity in security awareness.

CCS' data security practices comply with all regulatory requirements including the Personal Data Protection Act No. 9 of 2022. It also aligns with its parent entity's Zero Trust data security guidelines which are benchmarked to international best practice. The Group has implemented measures to safeguard the security of IT systems and protect the personal data in the manufacturing sector. During the year, Supermarket Sector partnered with a specialist third party to establish a Security Operations Centre to strengthen the security of retail infrastructure. During the year, no instances of data breaches, breaches of customer privacy or instances of customer data loss were reported.

BRANDS

Underpinned by a heritage spanning over 160 years, Elephant House, the Manufacturing Sector's most iconic brand, continues to be recognised among Sri Lanka's most loved brands, reflecting the enduring trust that has made it a household name across generations. In Beverages category, individual flavour brands, Cream Soda, EGB, Necto, Lemonade, FITO, Vibe, and in the Confectionery category, Imorich, Wonder, Feelgood, and Ape Rasa hold strong individual brand identities among consumers while several sub-brands introduced in recent years have evolved into standalone brands that represent distinct offerings. The Sector actively evolves its brand architecture while retaining its core identity to maintain relevance across a wide consumer base and amidst changing consumer preferences. This has afforded the Group a competitive edge, enabling it to retain its market position despite the presence of competing global and domestic brands.

Sri Lanka's Most Valuable Non-alcoholic Food and Beverage Brand 2025
(Brand Finance, 2025)

A fun, fruity beverage aimed at younger audiences.

Premium ice-cream line for consumers seeking indulgence.

A wide range of single-serve propositions.

Fruit juice offering.

Wellness friendly products with lower sugar and healthier ingredients for health conscious consumers.

New brands introduced in 2025/26

FYRE represents the Beverage Category's own energy drink, the latest addition to its beverage portfolio.

Through our partnership with Reliance Consumer Products Limited (RCPL), we launched the iconic Campa beverage range in Sri Lanka. Manufactured and distributed by Manufacturing Sector, our Campa portfolio includes Campa Cola, Lemon, Orange and the energy range featuring Campa NRG and Berry Kick.



During the year under review, the Manufacturing Sector engaged in numerous brand building initiatives that integrated on-ground activations and digital marketing elements to deliver a novel experience to consumers.

Sector	Brand	Activity	Impact
Beverages	Lemonade	The re-launch and development of the Lemonade brand in 2025/26 included, ➲ An exclusive three-year partnership with Sri Lanka Cricket as the Official Carbonated Beverage partner which will run until March 2027. ➲ "Lemonade Jaya Pipasaye Hadagasma" campaign featuring Sri Lanka Cricket team. ➲ Refreshed packaging featuring a clear bottle and new label design.	Contributed to a double-digit growth in volumes.
	EGB	Strengthening EGB's association with food, the "EGB Kaama Kalawa", delivered a novel experience to consumers. Innovative EGB fusion cuisine, EGB-based mocktails, curated local food culture experiences, and a mega musical show were key highlights. Three successful "EGB Kaama Kalawa" events were held in July and January in 2025/26.	+ 250,000 direct consumer contacts and + 160 Mn impressions.
	Cream Soda	Retained association with mega-scale musical events and maintained partnership with Derana Dream Star to strengthen brand resonance among GenZs and millennials.	+ 100,000 direct consumer contacts.
Confectionery	Elephant House Ice Cream - Multiple Serve Segment	A new communication campaign that strengthened its brand position as Sri Lanka's most inclusive and culturally connected ice cream brand. ➲ Further strengthening the brand experience through over 500+ sampling activities. ➲ Establishing "Ape Rasa" subcategory as a segment deeply rooted in Sri Lankan lifestyles and food habits.	Further strengthening brand equity.
	IMORICH	A 360 experiential campaign enabling consumers to "Experience the World" with IMORICH. ➲ Relaunching the super-premium category with premium packaging design. ➲ Launch of the IMORICH indulgent sticks range. ➲ Experiential consumer engagement activities with dessert extensions such as Imorich croissants and taste challenges.	33 Mn reach, 59 Mn impressions, + 2.3 Mn engagements.
	Wonder	The entire Elephant House single-serve range was consolidated under the Wonder brand, strengthening brand recognition among its target audience.	Strengthening market penetration.

INTELLECTUAL CAPITAL



Nallur festival organised by Keells


Freshness at the lowest price campaign

The Supermarket Sector also conducted numerous campaigns to drive customer engagement.

- Activation at the Nallur Festival in Jaffna sparked connection and a sense of community through thoughtfully crafted activities which included mural painting, children's games, a photo booth, spin-the-wheel competitions and specially designed gift bags. Based on estimates, this activation supported a 73% increase in brand awareness within the Northern province.
- The "Keells World Flavourites" campaign aimed to inspire customers to explore and re-create global cuisines at home through dedicated "Globally Inspired" and "Asian Corner" aisles at select stores, recipe content on our web portal and a range of supporting initiatives.
- Our "Freshness at the Lowest Price" campaign continued to strengthen awareness of the quality and affordability of our fresh product range.
- The "Pick it, Drop it, from Keells to Cart!" promoted over 350 Keells own label products driving private label penetration.
- Active engagement across social medial platforms and the Google ecosystem spanning both content led storytelling and performance marketing.

Most Loved Supermarket Brand in Sri Lanka 2025

(LMD, 2025)

Elephant House brand recognition
Beverage Brand of the Year at Sri Lanka Pinnacle Awards 2025
Most Loved Cold Beverage Brand - LMD Brands Annual 2025
Elephant House ranked 1st in the Sri Lanka's Most Valuable Non-alcoholic Food & Beverage Brands 2025 - Brand Finance
Elephant House ranked 2nd in the Most loved Product Brands Category - LMD Brands Annual 2025
Elephant House Ice Cream ranked 2nd Most Loved Packaged Food Brand (Desserts) - LMD Brands Annual 2025
Elephant House Ice Cream was awarded Brand of the Year 2025 at SLIM Brand Excellence Awards 2025
Elephant House Ice Cream was awarded the Gold Award for Product Brand of the Year 2025 at SLIM Brand Excellence Awards 2025
Elephant House Ice Cream was awarded the Silver Award for Local Brand of the Year 2025 at SLIM Brand Excellence Awards 2025
Elephant House Ice Cream was recognised as a SuperBrand, SuperBrands Sri Lanka Status 2025
Elephant House Cream Soda won the People's Beverage Brand of the Year Award at the SLIM Kantar People's Awards 2026
Keells brand recognition
Most Loved Supermarket Brand in Sri Lanka - LMD Brands Annual 2025
Most Visible Brand online in Sri Lanka - Uncategorised Category (Digital Outlook 2025)
Strongest Brand in Sri Lanka with a AAA+ Brand Strength Rating - Brand Finance Rankings 2025

NEW PRODUCT DEVELOPMENT

The Manufacturing Sector's innovation is driven by the strength of its research and development capabilities. This has enabled the development of a range of novel and exciting new products in the Beverages and Confectionery Category.

Manufacturing Sector

31

New products launched in 2025/26

Our new product development process is set out below.

1. Data driven market insights obtained through data analytics and engagement with stakeholders including, customers, flavour houses, ingredient suppliers, and research agencies.
2. Pipeline of product developments
3. Supervised by the New Product Development (NPD) team, a cross functional team oversees all aspects of the development process.
4. Prototype development
5. Focus group studies
6. Reformulation based on feedback
7. Commercialisation

RECIPE LIBRARY

The Manufacturing Sector's extensive beverage and confectionery recipe library serves a variety of consumer tastes, occasions and lifestyle preferences. The introduction of extrusion technology in the Confectionery category in 2025/26 enabled the introduction of a range of premium products under the Elephant House Wonder and IMORICH brands.

Innovation Timeline

2021/22

Introduced
- Frozen yoghurt (Mango and Mixed Berry)
- Low sugar ice cream (Vanilla and Chocolate)
- 2 Multi packs
- 2 Bar variants (Vanilla and Mixed Fruit)

2022/23

Introduced
- Dry product range – waffle cones
- Reformulated Fit-O, the fruit juice line in taste and texture
- Launch of 2 seasonal limited edition beverage flavours – Apple Pop and Kiwi Pop

2023/24

Introduced
- Seasonal limited-edition products
- 1L Kiri Toffee ice cream
- Fusion range in 4 varieties
- IMORICH multi-packs
- 4 flavours of water "ice pops"
- Relaunch of Faluda Cones & Pani Cadju Cones
- 5L drinking water pack size

2024/25

Introduced
- Ape rasa featuring 4 unique Sri Lankan flavours.
- Value added sticks – Kulfi, 2-Bar Wood Apple
- 2 new flavours in IMORICH – Peanut Butter Royale and Mocha cones
- Vegan Chocolate and Passion Fruit flavours
- CSDs in cans
- Fruit flavoured CSDs

2025/26



Elephant House Ape Rasa Range

- FYRE, a new energy drink in 250ml PET format
- Campa product portfolio (Campa Cola, Lemon, Orange, Campa NRG and Campa Berry Kick)
- Lemonade in transparent packaging
- An expanded IMORICH range (Coffee Grande, Red Velvet, Mixed Berry Cheesecake, Coconut Bliss, Biscoffi Crumble, Salted Caramel, Classic Vanilla, Double Chocolate, Classic Almond)
- An expanded Wonder range (Pineapple, Wonder Bar Gold Vanilla, Wonder Bar Gold Chocolate, Wonder Mango Blast, Wonder Strawberry Blast)
- 2 new Gelato products
- Seasonal limited edition collection

WAY FORWARD

Manufacturing
- Leverage data and digital systems to improve decision-making, innovation, and operational efficiency
- Evolve brand and product portfolio based on consumer insights and manufacturing expertise
- Strengthen new product development through R&D, technology, and cross-functional collaboration
- Build technical capability and knowledge transfer to support scale-up and consistent quality

Supermarkets
- Use data insights to optimise product range, pricing, and promotions aligned to customer needs
- Improve forecasting, inventory, and availability through analytics-driven execution
- Strengthen customer engagement through loyalty insights and personalisation
- Embed data-driven decision-making across merchandising, promotions, and space planning

SOCIAL AND RELATIONSHIP CAPITAL

Our continued focus on creating shared value across our network of customers, suppliers, channel partners, and local communities supports the long-term sustainability of our business while generating meaningful benefits for all stakeholders.

OUR SOCIAL AND RELATIONSHIP CAPITAL



5,130
Freezers and coolers deployed to the market.

Rs. **184.2** Bn
Supplier payments

Rs. **63.9** Mn
Investment in CSR initiatives

>13,630
CSR beneficiaries

How we created value in 2025/26

- Delivered on our customer promises through strategic, customer-centred initiatives.
- Leveraged data led insights, trade marketing initiatives, cold chain support and close engagement to ensure mutually beneficial relationships with channel partners.
- Value creation for suppliers through a strategic emphasis on local procurement in the Manufacturing Sector and advanced data led demand planning and farmer development programmes in the Supermarket Sector.
- Ditwah support for distributors and retailers.
- Milk collection centre-farmer loans

Our plans for value creation in 2026/27

- Utilise data-led insights to evolve and strengthen our customer value propositions to maintain relevance amidst shifts in consumer preferences.
- Maintain mutually beneficial relationships with channel partners to facilitate the island-wide availability of our products in the Manufacturing Sector while fostering their growth.
- Supplier capacity building and sustained focus by the Manufacturing Sector on developing local suppliers.
- Impactful community engagement.

Our contribution to the SDGs

CUSTOMER RELATIONSHIPS

Our 'Customer Promises' sets out how we seek to serve our customers. Designed to reflect the unique requirements of the industries we operate in, our Customer Promises guide our strategic approach to delivering propositions that aligned with evolving customer preferences.

MANUFACTURING SECTOR

Our customer base comprises the consumers who purchase our beverage and confectionery products.

#1 Customer promise
We promise a quality product.

#2 Customer promise
We promise to deliver choice.

#3 Customer promise
We promise to deliver products at the right price.

#4 Customer promise
We promise to make our products accessible and available.



Soft drink dansala at Sirasa Namami Vesak region

PROGRESS MADE IN 2025/26

#1 We comply with a range of internal quality standards and external certifications including ISO 9001:2015, ISO 22000:2005 and SLS193:2013 among others.

- Aligning production processes with internal and external quality standards enables the production of high-quality beverage and confectionery products.

#3 We continued to optimise our cost structure to deliver a value-for-money product to consumers.

- We consistently leveraged IT systems and data analytics to drive operational efficiency and optimise our costs, with the benefits transferred to customers through optimised pricing.
- The Sector also maintained a range of pack sizes and varying price points to support affordability.

#2 We consistently evolve our beverages and confectionery product portfolios to aligned with evolving consumer preferences and tastes.

- We expanded the portfolio of the Beverage Category through the introduction of,
  - FYRE, the energy drink segment.
  - Campa product range through our partnership with Reliance Consumer Products Limited.
- Portfolio expansion in the Confectionery Category included the introduction of,
  - 10 new products under the IMORICH brand.
  - 7 new premium single-serve products under the Wonder brand.
  - 2 new gelato products.

Overall, our product portfolio in the Beverages and Confectionery Categories span over 84 and 99 products respectively, fulfilling a variety of consumer tastes, occasions and lifestyle preferences.

#4 Our products are distributed to over 100,000 retailers island-wide through over 250 distribution partners.

Focused strategies to maintain mutually beneficial relationships with channel partners ensured the island wide availability of our products. Key initiatives included,

- Leveraging Advanced data Analytic to optimise our channel partner management strategy.
- Utilising SURGE, our Distributor Management System to strengthen engagement and collaboration.
- Monitored distributor performance on a quarterly basis to drive volume growth while ensuring their profitability.
- Provided trade marketing and cold chain support.
- Ditwah support for distributors and retailers.
- Re-distribution allowances.

SOCIAL AND RELATIONSHIP CAPITAL

How Our Customers Responded



- The Beverage Category recorded more than 15% increase in volumes for the second consecutive year.
- The Category maintained its market share position.



- The Confectionery Category's offerings recorded volume growth of 8% in 2025/26.
- The Category maintained its market share position.

SUPERMARKET SECTOR

Customers of the Supermarket Sector comprise those who patronise our supermarket stores. The Sector leveraged deep customer insights gained through its Customer Centricity initiative to optimise its value propositions across product range, pricing, promotions, store operations and loyalty management to deliver enhanced value to customers in 2025/26.

#1	#2	#3	#4	#5	#6
Customer promise	Customer promise	Customer promise	Customer promise	Customer promise	Customer promise
Enjoyable shopping.	I get what I want.	Freshness.	Offers and deals.	Staff is great.	Money's worth.



Driving customer centricity in the Supermarket Sector

PROGRESS MADE IN 2025/26

#1 We strive to deliver a unique retail experience to our customers.

- Introduced over 110 new imported products to the market across multiple categories including pasta, cereals, cheeses, juices, coffee and specialty foods to fulfill the needs of diverse customer segments.
- Conducted innovative and engaging promotions that sparked connections with customers.
- Revamped and expanded our prepared food offering.
- Offered customers an omni-channel shopping experience that effectively blended physical, online and on-demand delivery platforms.
- Expanded Electric Vehicles (EV) charging stations across 36 supermarket outlets.

#2 Our stores feature a wide product range, adequate space between aisles and trilingual signage boards in all stores.

- Tailored our product offerings at each outlet in line with customer preferences and needs.
- Enhanced evening in-store availability of fresh produce and seafood.
- Strengthened demand forecasting and utilised volume commitments to improve product availability in stores.



Ensuring freshness from source to store

#3 Our 'freshness guarantee' ensures that products obtained from our supermarkets are the freshest in the marketplace.

- Leveraged direct relationships with farmers and centralised supply chain ecosystems to ensure the delivery of fresh produce from farm to store in 24 hours. Our network of 10 collection centres and the Kerawalapitiya distribution centre ensure fresh produce is handled and stored in optimised temperature-controlled conditions to maintain its freshness.
- Traceability tools allow us to track every batch of produce to its source, ensuring reliability and accountability.
- Moreover, ongoing engagement with our farmer community supports the production of high-quality fresh produce.

#4 We strive to offer the best deals and prices in the market through promotions and attractive offers.

- Nexus members were offered reward points and a range of customised deals and promotions.
- Additionally, based on data-led insights, we offered tailored promotions that delivered value to customers.
- Nexus reward points offered customers over Rs. 860 million in savings in 2025/26.

#5 We consistently invest in training our team on customer service to provide an unmatched retail experience to customers.

- Our team of over 4,589 employees actively engaged in customer service training initiatives.
- Groomed Retail Managers and Executives as service leaders.
- A strong employee value proposition that prioritises employee wellbeing also supported the delivery of high-quality customer service.

#6 Value for money is a key brand attribute and we consistently aim to ensure our prices are among the most competitive in the market.

- Our commitment to offering customer value for money is reflected in,

- Fresh produce at prices that aligned with fresh markets.
- Seafood at competitive prices enabled by direct sourcing and centralised storage.
- Direct imports of several products in the dry category to offer the lowest price in the market.
- 361 private label product range that is priced 10% less than market prices.
- An affordable bakery and hot food product range.
- The introduction of 6 new private label product lines.

SOCIAL AND RELATIONSHIP CAPITAL

KEELLS NEXUS LOYALTY PROGRAMME



2.8 Mn (+6%)
Keells Nexus loyalty members

Over Rs. **860** Mn
In savings to loyalty members through Nexus reward points.

Keells Nexus, the Supermarket Sector's loyalty programme which operates with over 2.8 million members reflects the trust customers consistently place in the Keells brand. In February 2026, the Sector launched the Nexus mobile app, which integrated reward points, deals, savings and partner offers into a unified platform to offer customer improved visibility and control. The app allows members to track reward points in real time, utilise a QR code for registration at checkout and enjoy a more personalised shopping experience. Approximately, over 240,000 loyalty members downloaded the app within the first two months of launch.


Delivering freshness and quality

OMNI CHANNEL SERVICE DELIVERY

The Supermarket Sector's omnichannel strategy effectively blends an island-wide footprint with digital platforms to offer customers enhanced accessibility and convenience. During the year under review, the Sector expanded its digital presence by extending delivery coverage of its bakery and prepared meal propositions through PickMe and Uber Eats while also launching full grocery delivery through Uber Eats across 98 supermarket outlets. The Sector also revamped the Keells Online platform, improving the order processing speed, the customer user experience and fulfilment reliability.

ELEVATING OUR PREPARED FOOD OFFERINGS

The Supermarket Sector's prepared food offerings continued to gain traction in 2025/26. The Sector expanded the product range in popular categories such as bakery, sweet treats, pizza and crispy chicken, resulting in a significantly broader and more diverse portfolio. Doughnut counters were also established at an additional 96 outlets while a new in-house pizza range featuring 6 new flavours and a reformulated base with improved softness and fluffiness was also launched. Moreover, the in-store dining experience was extended to five additional outlets expanding the network to 25 outlets. All food items are freshly prepared in-store, ensuring quality and freshness. Training kitchens established at the Employee Support Centres supported capability development in preparing the diverse product range available at stores while maintaining consistent quality standards.



Enhancing the Prepared Food Experience at Our New Darley Road Outlet

COMPLIMENTARY BUSINESS OFFERINGS

The Supermarket Sector's strategic focus on leveraging its data-related insights and supply chain capabilities to develop complementary revenue streams continued into 2025/26.

Commercial fresh produce venture	Keells Insights	Electric vehicle charging
Leveraging its strong supply chain capabilities for fresh produce, the Supermarket Sector continued to expand the supply of fresh produce to business enterprises. The Sector presently fulfills the fresh produce requirements of over 90 business partners which include leading hotel chains in Sri Lanka and Maldives.	Drawing on its capabilities in data analytics led market insights, the Supermarket Sector offered vendors insights into consumer purchasing behaviour to assist in optimising production plans and operations.	The Sector installed 36 new electric vehicle chargers at stores during the year under review, increasing revenues earned from electric vehicle charging.

CUSTOMER HEALTH AND SAFETY

Link to SRROs and CRROs

SRR 2

Food safety compliance

SRR 8

Foodborne illness and product contamination

SRO 4

Food safety, traceability and quality leadership



Prioritising customer safety through rigorous R&D excellence

The Food Act No. 26 of 1980 governs the activities of the Beverages and Confectionery Categories while the Food Advisory Committee of the Ministry of Health sets out regulatory guidance on flavouring and flavour enhancing substances. Health and safety requirements for the prepared food category within the Supermarket Sector are governed under established standards. During the year under review, no incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services of both the Manufacturing and Supermarket Sectors were reported.

All manufacturing facilities comply with the stringent requirements of ISO 9001:2015 Quality Management Systems and ISO 22000:2018 Food Safety Management Systems certifications reflecting our commitment to safeguarding the health and safety of our customers. We have also implemented procedures at critical points of the production process to ensure the absence of microbiological, chemical and physical hazards. We also maintain a customer complaint hotline, which allows customers to directly report any health and safety concerns with responsibility for addressing complaints assigned to the Compliance Manager. We assess 100% of products and service categories for health and safety impacts with no material issues relating to customer health and safety recorded during 2025/26. Meanwhile, the Supermarket Sector implemented structured food safety supplier audits and mandatory medical screenings for food handlers to ensure food safety.

Responding to shifts in consumer preferences to healthier, more nutritious alternatives and varying customer sensitivities to certain ingredients, we ensure all product labels in the Beverage and Confectionery Categories in the Manufacturing Sector and the private label product range in the Supermarket Sector list all ingredients used in the manufacturing process. Nutritional information is also included in product labels where relevant. Our 'Feel Good' range reflects our commitment in Manufacturing to provide customers with "better for you" options which are low in sugar, and mindful of ingredients while also reformulating beverage recipes to reduce sugar levels. In Confectionery, frozen yoghurts, low-calorie and vegan ice creams cater to specific dietary preferences of consumers.

MARKETING AND LABELLING

The Food (Labelling and Advertising) Regulation of 2005 governed labelling of products manufactured by CCS. Labelling requirements encompassed date of manufacture and expiry, complete list of ingredients and instructions for storage. From Supermarket Sector, 23 incidents of non-compliance with regulations and voluntary codes concerning the product and service information and labelling and marketing communications were reported during the year under review. Product and service information, labelling and marketing communications are made in all three languages whenever possible.

Requirements for marketing communications under the new Food (Labelling and Advertising) Regulations (2022) came into effect from 1st July 2025 while the effective date for compliance with labelling requirements was extended to 1st June 2026. Group-wide marketing communications comply with the regulatory requirements set out under this regulation while it is in the process of complying with the requirements established for product labelling.

Marketing communications of both Manufacturing and Supermarket sectors are directed at general audiences with no content specifically aimed at children. Moreover, we comply with regulatory requirements and the advertising standards set out by our parent entity, John Keells Holdings PLC and ensure our marketing communications do not include and are not directed at children below the age of 12.



Commitment to hygienic food handling

SOCIAL AND RELATIONSHIP CAPITAL

CHANNEL PARTNERS

The Manufacturing Sector relies on an extensive network of over 250 channel partners to facilitate the island-wide distribution of its Beverage and Confectionery products. Strategic emphasis was placed on expanding the distributor and retail network during the year under review to increase penetration and market share.

58
New channel partners added during 2025/26

Beverage

Project Greenroads

We provided Elephant House branded nameboards to 650 outlets, thereby enhancing our brand visibility while boosting channel partners' revenue.

Over 764 channel partners have been provided nameboards during 2025.

Extended Branding

We made significant investments to uplift over 100 stores by offering nameboards, in-store displays, table and menu branding among others.

Digital Ecosystems and Data Analytics

Ongoing investments in upgrading SURGE, our Distributor Management System (DMS) and the integration of data analytics and AI enabled customised engagement with channel partners.

Distributor Engagement

We reviewed distributor performance on a quarterly basis to drive volume growth while ensuring their profitability.

Cold Chain Support

We deployed 5,130 freezers and coolers to the market in 2025/26.

The 'Jeewaya' Initiative

Through this initiative the Confectionery Category continued to support channel partners through proactive engagement, loyalty schemes and customised discounts.

Confectionery

The Confectionery Category also extended support to retailers and distributors affected by cyclone Ditwah by facilitating market returns and replacing damaged coolers and freezers.



"Dinannee" Programme

"Dinannee" Programme

Implemented by the Confectionery Category, this programme empowers female entrepreneurs by offering direct and indirect employment opportunities. Our female partners contribute to sales, distribution, and sourcing inputs needed for ice cream production. This programme supports women in Colombo, Gampaha, Kalutara, Ambalangoda, Kandy, Kegalle and Polonnaruwa.

7	4	1	7
Push carts	Parlour outlets	Distributor	Parlour carts

SUPPLIERS

Manufacturing Sector

Link to SRROs and CRROs

SRR 1

Environmental and social impacts of sourcing ingredients

SRO 3

Responsible and resilient ingredient sourcing

The Manufacturing Sector places emphasis on developing local suppliers to source its raw materials. This has progressively reduced its reliance on imports while creating economic opportunities for local communities. Strengthening its local supplier base has also contributed to reducing its upstream transportation and distribution related Scope 3 carbon emissions. Concurrently, the Sector maintains long-standing partnerships with a diverse supplier base across multiple geographic regions to ensure supply security and timely delivery of imported raw materials even amidst challenging market conditions.

Agricultural inputs account for much of the Manufacturing Sector's raw materials. In Beverages, these include ginger, sugar, and other flavours while fresh milk, cocoa, sugar, jaggery, treacle and cashew are key inputs in Confectionery. Activities along its supply chain as well as its reliance on agricultural inputs exposes the Sector to environmental and social impacts associated with sourcing its ingredients. Please refer the SLFRS Sustainability Standards S1 and S2 Report on page 194 for more information on the nature of these risks and the Sector's strategies for mitigating the same.

Our procurement practices reflect a firm commitment to ethical and sustainable supply chain management. Accordingly, supplier contracts include quality, environmental and social considerations, including the prohibition of child labour and forced and compulsory labour. New suppliers are evaluated for quality and sustainable practices prior to onboarding while the existing supplier base is audited on an annual basis to ensure compliance with quality, environmental and social contractual terms. The Manufacturing Sector also encourages and supports suppliers in obtaining external quality certifications including Good Manufacturing Practices (GMP) and ISO certification.

During the year under review, the Manufacturing Sector supported the development of,

- Strategic partnerships were also developed with selected ginger farming communities in the Central and Western Provinces to source high quality ginger and maintain supply security given supply constraints arising from lower yields and adverse weather conditions.
- Smallholder dairy farmers in the Kotagala and surrounding regions through reliable milk collection systems, technical guidance, continuous engagement and timely payments.
- Technical guidance and practical support to smallholder dairy farmers to improve milk yield, herd health and farm productivity. This included support for cultivating fodder crops such as Napier grass and maize silage, the provision of mineral supplements and guidance on proper concentrate feeding and consistent supply of quality feed inputs such as poonac.
- Ice cream sticks and aluminium foil manufacturers through RFQ screening, factory visits, technical discussions and sample/trial evaluations.

Value created	Volume (KG/Litres)	Rs. Million
Ginger (+650 suppliers)	45,969	412
Vanilla (+4,200 farmers through Kandy Vanilla Growers Association and farmers islandwide)	380	18
Kithul jaggery (+375 farmers through Krushi Swayan Rekiya Samithiya and Self Employment Society of Nuwara Eliya)	57,027	89
Treacle (+420 from Waralla and Deniyaya)	139,200	43
Cashew nuts (+1,000 farmers Nathawilluwa, Galewella, Adiyagama, Chilaw, Serukele and processed in Kuliyapitiya and Ja-Ela)	100,048	409
Fresh milk (+2,600 suppliers from Kappetipola, Bogawanthalawa, Dickoya, Gampaha)	2,693,142	576



Strategic partnerships with local ginger farming communities

SOCIAL AND RELATIONSHIP CAPITAL

Supermarket Sector

>3,865
Farmers, private label suppliers, SMEs and large producers

The Supermarket Sector's strategic focus on optimising its supply chains in recent years has enabled consistent product availability and affordability. A centralised procurement and distribution model supports economies of scale while a strong farm-to-shelf traceability programme ensures reliability and accountability for fresh produce.

The Sector's exposure to supply chain related environmental and social risks arise primarily through its fresh, animal produce and private label supplier base. The Sector monitors social and environmental responsibility of suppliers through contractual obligations and supplier audits. Key criteria considered include, product quality, health and safety standards, environmental and social regulations, responsible labour practice including the prohibition of child labour and forced/ compulsory labour and the protection of human rights. The Sector also actively encourages suppliers to obtain external quality certifications including Good Manufacturing Practices (GMP) and ISO certification. Supplier audits are conducted twice a year and comprise an internal assessment and an independent evaluation by a third party. Insights from supplier audits have contributed to supplier capacity building and strengthened the sustainability of suppliers' value chains. Ethical sourcing audits conducted during the year under review confirmed that all suppliers were compliant with our quality, social and environmental standards.

Value creation for suppliers in 2025/26 included,

- Offering committed forecasts to 75 key suppliers to provide greater visibility and predictability of future demand.
- Facilitated reliable fuel supplies for logistics providers through a partnership with fuel supplier.
- Partnerships with 6 new private label suppliers, expanding our private label supplier base to 63. We also supported their development through proactive engagement and supplier audits.
- Farmer capacity building to support knowledge enhancement, strengthen climate resilience and improve hygiene standards.



Keells Govi Diri programme

Key highlights in 2025/26

2,966
Farmers supported

537
Female farmers empowered

Rs.10 Mn
Invested in farmer development

Keells "Govi Diri" Programme

The Keells Govi Diri Programme continued to support the capacity building of the Supermarket Sector's local farmer community.

Conducted in partnership with the Asia Development Bank (ADB), this programme entailed

- Strengthening farmers' technical competencies through the introduction climate resilient farming techniques such as optimising agrochemical usage, sustainable irrigation solutions and sustainable agricultural practices such as poly mulching and insect proof nets.
- Improving farmers' financial literacy.
- Developing capacity to grow organic produce
- The development of four model farms.

This programme supported over 2,966 farmers.

Partnered with the Smallholder Agribusiness Partnerships Programme in 2025/26 to support 100 farmers by providing them with climate resilient farming infrastructure.

Through partnership with the John Keells Foundation, provided financial assistance to farmers to facilitate soil testing to optimise fertiliser application.

In 2025/26, 96% of the Group's procurement spend was directed to local suppliers while payments to local suppliers amounted to Rs. 177.3 billion. Approximately 1% (27 supplier audits) of existing suppliers were audited for social and environmental impacts. No suppliers were identified as having significant adverse environmental and social impacts in 2025/26.

INDUSTRY PARTNERSHIPS

CCS Group actively participates in numerous industry associations on a wide range of issues and concerns relevant to the industry. These memberships provide a platform for collaborating with industry partners and stakeholders, sharing best practice and advancing policies that progress the industry while promoting sustainability. CCS Group holds memberships in the following industry associations,

- Employers' Federation of Ceylon (EFC)
- Ceylon Chamber of Commerce
- Ceylon National Chamber of Industries
- All Island Dairy Association
- Export Development Boards
- National Chamber of Exporters
- Lanka Confectionery Manufacturers Association

COMMUNITY ENGAGEMENT

CCS community engagement agenda is structured to reflect the needs of local communities. During 2025/26, the Sectors allocated considerable resources to assist communities affected by cyclone Ditwah while parallelly maintaining its commitment to empowering youth and supporting the nutritional needs of pre-school children.

SUPPORTING COMMUNITIES AFFECTED BY CYCLONE DITWAH

The CCS Group responded swiftly to support communities affected by cyclone Ditwah.

The Manufacturing Sector donated 45,000 water bottles to affected communities through the Sirasa Sahana Yathra, Manusath Derana and Hiru TV relief programmes while also partnering with Cinnamon Hotels and Resorts PLC to donate 2,000 food packs.

Meanwhile, the Supermarket Sector extended in-kind relief amounting to Rs. 6.5 million through the same channels while also providing several outlets as temporary relief collection points. The 'Brighter Tomorrow for Our Little Ones' programme also supported 500 pre-school children in disaster-affected areas through a focus on nutrition, learning and play. The Sector also contributed Rs. 100 million through its parent entity John Keells Holdings PLC to the Rebuilding Sri Lanka Fund.



Donations for affected communities

A BRIGHTER TOMORROW FOR OUR LITTLE ONES



Pre school meal programme

In the Supermarket Sector, now in its 4th year, this crowd-funded pre-school meal programme supports the provision of a nutritious mid-day meal to preschool children between the ages of 3-5 years of age. Parents are engaged in meal preparation while ingredients are sourced from local vendors to support community empowerment. We also establish small community gardens in partnership with 'Thuru' and 'Ceylon Agri' within the preschool premises to strengthen the sustainability and continuity of the programme. The programme has also been extended over the last 3 years to offer wider wellbeing support such as learning suppliers, safer outdoor play improvements and child protection workshops.

46	102,336	1,674	46
Pre-schools assisted	Meals distributed to children	Children supported	Community gardens established

Over **500,000** meals distributed since the programme's inception in 2022/23

SOCIAL AND RELATIONSHIP CAPITAL

YOUTH EMPOWERMENT

SKILLS INTO PROGRESS (SKIP) YOUTH DEVELOPMENT PROGRAMME

>1,100
youth positively impacted in 2025/26

The Supermarket Sector supported the employability of youth by strengthening their English language proficiency through Spoken English and skills-based learning. Over 1,100 youth participated and successfully completed this programme in 2025/26.


SKIP Youth Development Programme

INDUSTRY ACADEMIC PROGRAMMES

The Supermarket Sector strengthened industry-academic collaboration through the introduction of the Retail Certification Programme in partnership with the University of Kelaniya. In addition to classroom learning, this programme included 4 field visits for 56 students and a short-term exposure programme for 98 undergraduates. The Sector is also in the process of establishing Memoranda of Understanding with two universities and obtaining NVQ recognition for its training kitchens to build industry-ready youth talent.


Retail Certification Programme

FOOD RE-DISTRIBUTION PROGRAMME

Surplus fresh produce and prepared meals across 142 supermarket outlets are re-distributed to low-income communities and selected beneficiary groups, positively impacting over 3,000 in our local communities. An average quantity of 250,000 kg of vegetables and fruits alongside +3,500 prepared food packets are re-distributed monthly.

>3,000
beneficiaries.

Our operations do not have significant actual and potential negative impacts on local communities. Further, the CCS Group did not have any contracts or tenders with the Government.


Redistributing fresh produce to low income communities

WAY FORWARD

Manufacturing

- Evolve our product and brand portfolio in line with changing consumer preferences.
- Ongoing emphasis on fostering mutually beneficial relationships with channel partners for shared value creation.
- Sustained focus on local supplier development.
- Impactful community engagement.

Supermarkets

- Utilise insights from the Customer Centricity initiative to offer tailored solutions across our supermarket outlets.
- Sustained focus on expanding and elevating the prepared food offerings.
- Upgrade the Nexus Loyalty app to facilitate direct customer engagement.
- Ongoing emphasis on farmer development initiatives.
- Impactful community engagement.

NATURAL CAPITAL

We rely on Natural Capital as a key source of input for the Manufacturing and Supermarket Sectors. Resultantly, we are committed to managing this vital resource responsibly while building resilience to environmental risks to create sustainable value over the long term.

OUR NATURAL CAPITAL

MANUFACTURING SECTOR



68,914 tCO_2e total carbon footprint

22,601 M^3 effluents

7,623 MT solid waste



SUPERMARKET SECTOR

18,917 MT raw materials

138,514 GJ energy consumption

551.4 ML water withdrawal

Improvement in energy intensity
19%
Manufacturing Sector

Improvement in water intensity
16%
Manufacturing Sector

18%
Renewable energy consumption

1,115 MT
Plastic recycled through the Elephant House Gunadamin Plastic Recycling initiative

9%
Reduction in waste directed to landfill (Manufacturing)

How we created value in 2025/26

- The Manufacturing Sector implemented numerous initiatives to reduce energy consumption and improve the energy efficiency of its operations.
- Implementation of a Dissolved Air Flotation (DAF) system to improve the efficiency of wastewater treatment in the Confectionery Category.
- Ongoing emphasis on expanding the Elephant House Gunadamin – Plastic Recycling Initiative, supported by Material Recovery Facilities (MRF).
- Initiatives to reduce waste directed to landfills.
- Strategic focus on reducing the consumption of plastic and single-use polythene.

Our plans for value creation in 2026/27

- Expand and enhance the efficacy of effluent treatment at the Seethawaka and IBF plants to facilitate water reuse.
- Implement numerous water saving initiatives such as backwash reuse projects across business units, reusing bottle washer rinsing water for factory floor cleaning, cleaning-in-place water consumption reduction and jacketed cooling water consumption reduction initiatives.
- Ongoing emphasis on expanding the capacity of Elephant House Gunadamin Plastic Recycling Initiative.
- Ongoing emphasis on minimising the consumption of plastic and single use polythene within our operations.

Our contribution to the SDGs

NATURAL CAPITAL

MANAGING OUR NATURAL CAPITAL

CCS Group's reliance on natural resources and agriculture-based material inputs exposes the Group to environmental risks. Resultantly, the Group has placed strategic focus on strengthening the sustainability of its operations by enhancing resource efficiency while minimising its environmental impacts. During the year under review, the Group established formal governance processes to identify, assess, mitigate and monitor its sustainability and climate-related risks and opportunities. Please refer page 148 and 184 of this Report for more information on the Group's governance framework, sustainability and climate-related risks and opportunities and associated strategies and metrics.

The Group's environmental management framework complies with all regulatory requirements as well as the JKH Group's Environmental Policies. During the year under review, the Manufacturing Sector's Confectionery production facility in Seethawaka obtained ISO 14001:2015 Environmental Management Systems accreditation. CCS Groups' operations complied fully with all environmental laws and regulations in 2025/26 with no fines or penalties incurred.

ENERGY MANAGEMENT AND CLIMATE ACTION

Link to SRROs and CRROs

CRR 4

GHG emissions and energy management

CRR 1/CRR 2/CRR3

Climate related acute and chronic risks

CRO 2

Energy efficiency and low-carbon operations

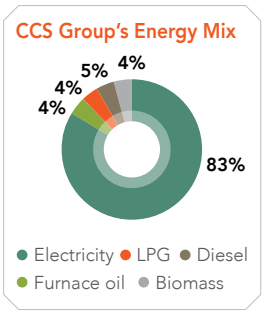
CRO 1

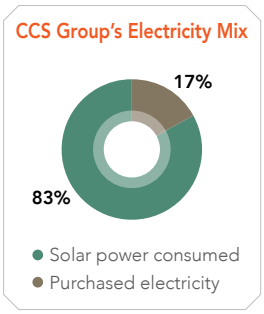
Climate Focused Projects and Cold-Chain Strengthening

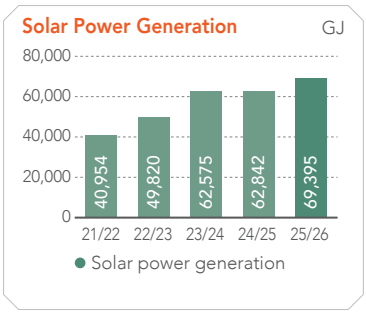
The Group has consistently invested in enhancing the energy efficiency of its operations while strengthening energy resilience through investments in solar power generation.

CCS Group relies on both renewable and non-renewable energy sources which comprise primarily electricity, LP gas, diesel, petrol and furnace oil. Electricity generated through rooftop solar systems contributed to 17% of the Group's total electricity consumption in 2025/26 as presented below,

- 64,797 GJ of electricity generated through roof-top solar systems at 115 supermarkets and the distribution centre.
- 4,598 GJ of electricity generated through solar panels systems installed at the Ranala and CICL factories.







The Manufacturing Sector's energy management strategy aligns with the requirements of ISO 50001:2018 Energy Management certification and includes clear targets, actions plans, progress monitoring and continuous improvement to enhance the energy efficiency of its operations. During the year under review, the Sector implemented numerous initiatives in both the Beverage and Confectionery categories to improve the energy efficiency of its operations.

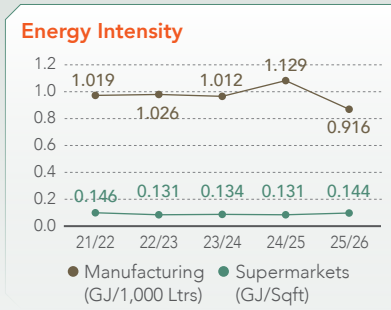
Manufacturing Sector energy management initiative	Impact
Automation of the PHE chilled water bypass circulation process	Improved cooling efficiency and reduced excess energy consumption through automated temperature-controlled operations.
Increased the conveyor speed in the hardening tunnel to reduce processing time in ice cream manufacture	Reduced processing time and tunnel operating hours, resulting in electricity energy savings.
Flash steam recovery for boiler operations	Reduced boiler furnace oil consumption and makeup water quantity thorough recovering flash steam.
Variable Frequency Drive installation for chiller Air Handling Units	Reduced electricity demand through optimizing cooling tower fan speed control.
Introduction of electric forklifts in logistics management	Conversion of material handling operations to energy efficient and emission reduction.
Conversion of the refrigeration system from R22 refrigerant to R507 refrigerant	Reduced the use of ozone-depleting refrigerants while reducing energy demand.

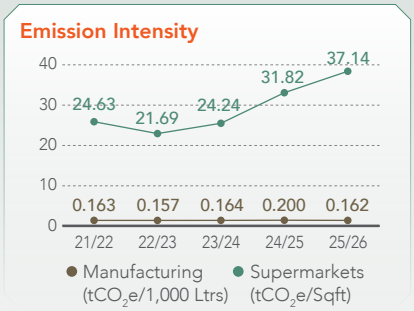
Concurrently, the Supermarket Sector focused on rigorously monitoring the energy consumption at supermarkets in real time and implemented swift remedial action when deviations were identified. Moreover, 100% of its lighting comprises LED based solutions.

Underpinned by these efforts, the CCS Group was able to limit the increase in direct and indirect energy consumption in 2025/26 despite the increase in volumes. Moreover, significant reduction of 19% was recorded in the Manufacturing Sector's energy intensity in 2025/26.

Information relating to energy consumption outside of the organisation is currently incomplete due to limitations in data availability across certain third-party operations and upstream/downstream value chain activities.

CCS Group computes its carbon footprint based on the GHG Protocol published by the World Resources Institute while emission intensity computations consider the Group's Scope 1 and Scope 2 emissions. The Group has also referred to the Intergovernmental Panel on Climate Change (IPCC) for the disclosures. The Group's Scope 3 emissions include emissions generated from product distribution, product re-distribution and business travel. Energy related goals are established based on the previous year's performance. No substantial emissions of Nitrogen Oxides (NOx), Sulphur Oxides (Sox) and other hazardous air emissions took place during the year under review. During the year, CCS enhanced its fugitive emissions measurement by incorporating refrigerant related emissions, with prior year figures revised accordingly to ensure consistency and comparability.





CCS Group's renewable energy performance in 2025/26

69,395 GJ
Solar power generated

17%
Of electricity needs fulfilled through solar energy

39,118
No. of solar panels

Energy consumption	Units	2025/26	2024/25	YoY % change
Energy by type				
Non-renewable energy	GJ	385,568	372,925	3
Renewable energy	GJ	83,998	76,697	10
Total energy consumption	GJ	469,566	449,622	4
Direct energy consumption				
Diesel	GJ	21,063	16,203	30
Furnace oil	GJ	18,586	17,762	5
LPG	GJ	19,897	17,973	11
Biomass	GJ	18,840	17,362	9
Indirect energy consumption				
Purchased from CEB	GJ	249,529	231,515	8
Purchased from LECO	GJ	76,492	72,111	6
Energy intensity (Manufacturing)	GJ/1,000 produced Litres	0.916	1.129	(19)
Energy intensity (Supermarket)	GJ/Sqft	0.144	0.131	9
Carbon footprint				
Scope 1 GHG emissions	tCO_2e	34,656	27,192	27
Scope 2 GHG emissions	tCO_2e	58,702	54,670	7
Total emissions	tCO_2e	93,358	81,862	14
Ozone depleting substances	MT	20,455	16,128	27
Emission intensity - Manufacturing	tCO_2e/1,000 produced Litres	0.162	0.200	(19)
Emission intensity - Supermarkets	tCO_2e/Sqft	37.14	31.82	17

NATURAL CAPITAL

WATER AND EFFLUENTS

Link to SRROs and CRROs

SRR 4

Water and wastewater management

SRO 1

Sustainable water governance and recycling systems

Water is utilised primarily by the Manufacturing Sector to produce Beverages and Confectionery products as well as for cleaning machinery.

Cognisant of Sri Lanka's categorisation as a highly water stressed country by the Food and Agriculture Organisation (FAO) we actively seek to manage our water consumption sustainably. We regularly conduct pumping tests in deep wells close to manufacturing facilities to ensure our operations do not adversely affect the availability of water to neighbouring communities.

During the year under review, the Manufacturing Sector innovated its processes to minimise its water consumption in Confectionery product manufacture. This entailed introducing an automated chilled glycol isolation system with integrated temperature monitoring to reduce water consumption for PHE cooling during plant stoppage. These initiatives contributed to a 16% reduction in water intensity in the Manufacturing Sector.

Additionally, the Supermarket Sector also utilised 2.0 ML treated wastewater for gardening purposes at the distribution centre.

Water withdrawal and consumption (ML)	2025/26	2024/25	YoY % change
Ground water	443.0	400.0	11
Municipality water	463.5	408.5	13
Total water withdrawn	906.5	808.5	12
Water consumption	314.6	245.4	28
Water intensity-Manufacturing (Litres/1000 litres)	3,655	4,357	(16)
Water intensity-Supermarkets (Litres/Sqft)	0.19	0.16	18

Effluent discharge

Effluents generated from manufacturing operations are treated at a state-of-the-art effluent treatment plant. During the year under review, we enhanced the efficiency of wastewater treatment through the installation of a Dissolved Air Flotation (DAF) system. This system improved the removal of fats and suspended solids, especially from wastewater generated from Confectionery production. We also introduced a Sludge Screw Press to treat the sludge generated from the effluent treatment process. The screw press mechanically removes excess water, reducing its volume and thereby facilitating easier handling, storage and transport. These efforts ensured that water quality indicators remained consistent with the regulatory requirements set out by the Central Environment Authority prior to the responsible discharge of treated wastewater.

Water discharge (ML)	2025/26	2024/25	YoY % change
Water discharge by destination			
Municipality sewerage, drainage	236.4	202.9	17
ETPs and recycled	0.3	0.4	(24)
To rivers, lakes after being treated	169.0	145.2	16
Direct to rivers, lakes, wetlands, marshes	3.7	28.1	(87)
Ground through soakage pits	174.5	170.8	2
Provided to another organisation	7.9	14.6	(46)
Total water discharge	591.8	562.0	5
Total Discharge of Freshwater (less than 1000 TDS) to non-Water stressed areas	577.1	551.2	5
Total Discharge of Other Water (more than 1000 TDS) to non-Water Stressed areas	14.7	10.8	36



New recycling bins installation



Promoting sustainability through reusable Keells bags

MATERIALS

Agricultural inputs and packaging materials comprise the Manufacturing Sector's primary input materials. The Sector relies on sugar, fresh milk, vanilla and ginger as its primary agricultural inputs while PET bottles, plastic cups, plastic containers and corrugated boxes account for its key packaging materials. The Group did not utilise any recycled inputs for its operations during the year under review. Furthermore, the Sector collected and recycled 35% of PET bottles sold through the Gunadamin – Plastic Recycling Initiative.

Type of material	2025/26
Renewable materials (MT)	
Fresh Milk	2,774
Skimmed Milk Powder (SMP)	1,724
Sugar	10,097
Vegetable Fat	2,216
Whey Powder	303
Corrugated boxes (No of PC)	5,991,179
Non-renewable materials	
Plastic – Pet (No. of bottles)	105,580,017
Plastic – Containers (No. of PC)	19,005,556

The Manufacturing Sector also collaborated closely with aluminium suppliers to pioneer the transition from using conventional B64 aluminium can lids to using S-One (S1) lids improving material efficiency while maintaining packaging integrity and recyclability.

ADDRESSING THE ENVIRONMENTAL IMPACTS OF PACKAGING MATERIALS

We are cognisant of the environmental implications associated with our plastic-based packaging materials in the Manufacturing Sector and the use of single use polythene in the Supermarket Sector.

The Manufacturing Sector implemented numerous initiatives to improve the material efficiency of its packaging materials while reducing the use of plastic and single-use polythene. These included,

- Pioneering the transition from conventional B64 aluminium can lids to S-ONE (S1) lids.
- Transitioning from green PET bottles to clear PET for Lemonade improved its recyclability.
- Introducing reusable pallet wraps to reduce stretch film consumption.

The Sector has also progressively expanded the Gunadamin – Plastic Recycling Initiative to support end-of-life management of PET bottles while considering more sustainable packaging alternatives for its product range. This includes aluminium cans and glass bottles for its beverage range and paper-based packaging for its confectionery portfolio.

CIRCULARITY AND WASTE MANAGEMENT

Link to SRROs and CRROs

SRR 3

Packaging lifecycle management

SRR 5

Waste management

SRO 2

Circular packaging and waste reduction solutions

Managing waste-related impacts is a key focus in both the Manufacturing and Supermarket Sectors. Accordingly, both Sectors have made considerable progress over the years in reducing waste directed to landfill while addressing the adverse environmental impacts resulting from plastic-based packaging materials and single-use polythene.

REDUCING WASTE DIRECTED TO LANDFILLS

Efforts to reduce waste directed to landfills in the Manufacturing and Supermarket Sectors in 2025/26 included,

Manufacturing

- The Manufacturing Sector partnered with Ceylon Grain Elevators to repurpose waste ice cream and cones for animal feed production.
- Re-directing the sludge from effluent treatment plants as fertiliser for agriculture following the introduction of the Sludge Screw Press.
- 9% reduction in waste directed to landfill in 2025/26 (Manufacturing)

Supermarkets

- Ongoing efforts to redirect unsold fresh produce and prepared meals to those in need.
- >3 million kilograms of produce was donated through the "Say No to Food Waste" initiative.

Elephant House – "Gunadamin" – Plastic Recycling Initiative



Plastic collection drive at Gangarama Vesak region

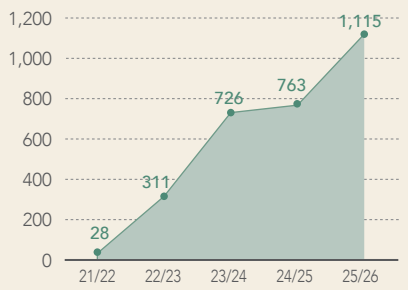
Since its inception in 2021, the Elephant House "Gunadamin" – Plastic Recycling Initiative has scaled progressively into a network of 17 Material Recovery Facilities (MRF) with a capacity to recycle over 1,300 MT of plastic waste. This enabled the Manufacturing Sector to collect and recycle 35% of PET bottles sold in 2025/26 which is in line with the voluntary commitment proposed by the Central Environmental Authority and the Environment Ministry.

2
New Material Recovery Facilities (MRF) established

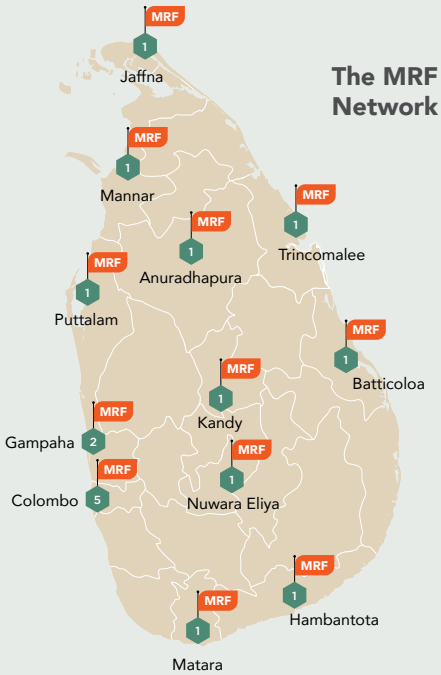
1,115 MT (+46%)
Plastic collected and recycled

Rs. 15 Mn
Invested in 2025/26

Plastic Collection MT



The MRF Network



Plastic waste is collected through organised clean-up events and dedicated collection bins located at strategic locations in the Colombo district. During the year under review, several clean up initiatives were organised following the completion of large-scale religious events as presented below.

- Kandy Daladha Dakma Dansala and Cleanup
- Sirasanamami Vesak Kalapaya and Gangarama Vesak Kalapaya Dansala and Cleanup
- Katharagama Padayathra awareness programme and cleanup
- Katharagama Wedihiti Kanda cleanup programme
- Katharagama town cleanup
- Kandy Esela Perahara
- Thalavila cleanup event
- Siripada clean up event

Plastic collected through these initiatives is upcycled into clothing and cleaning equipment. Collaborations with Viridis, Cleantech and Ecospindles continue to support our plastic recycling efforts.

Meanwhile, the Supermarket Sector efforts to reduce single-use polythene consumption included,

- Compostable packaging at vegetable, fruit, meat and seafood counters. This resulted in savings of over 50 million single use polythene bags.
- Promoting the use of reusable bags. Following the imposition of Government regulations banning the free distribution of polythene bags from 1st November 2025, the use of reusable bags have increased significantly among customers. This has resulted in an 71% decline in polythene usage.
- Use of paper straws at juice counters.
- Discontinuation of the sale of plastic cups/plastic straws at outlets.
- Promoting digital bills to reduce paper consumption.

Types of waste generated (MT)	2025/26	2024/25	YoY % change
Non-hazardous waste	8,703	6,510	34
Hazardous waste	10.5	2.6	316
Total waste disposed	8,714	6,513	34

Waste type and disposable method (MT)	2025/26	2024/25	YoY % change
Total non-hazardous waste			
Waste diverted from disposal	4,565	3,158	45
Reuse	3,754	2,390	57
Recycling	811	768	6
Waste directed to disposal	4,138	3,352	23
Incineration	368	405	(9)
Sent to landfill	3,770	2,947	28
Total hazardous waste			
Disposed	10.5	2.6	316

WAY FORWARD

Manufacturing

- Expand and enhance the efficacy of effluent treatment at the Seethawaka and Ittapana plants to facilitate water reuse.
- Implement numerous water saving initiatives such as backwash reuse projects across business units, reusing bottle washer rinsing water for factory floor cleaning, cleaning-in-place water consumption reduction and jacketed cooling water consumption reduction initiatives.
- Ongoing emphasis on expanding the capacity of Elephant House Gunadamin Plastic Recycling Initiative, and MRF centres.
- Ongoing emphasis on minimising the consumption of plastic and single use polythene within our operations.

Supermarkets

- Ongoing emphasis on increasing our reliance on solar power generation.
- Maintain focus on reducing waste directed to landfills.
- Consistent focus on reducing plastic and single-use polythene consumption.



Elephant House Gunadamin plastic recycling initiative



EV chargers installed in Keells outlets

WAY FORWARD

CCS Group enters the 2026/27 financial year against a backdrop of global uncertainty and intensifying climate change related physical impacts. While these pose risks to the Sri Lankan economy, the recovery witnessed over the last two years has placed the nation in a stronger position to respond to these challenges. We will continue to monitor developments and adapt our strategy accordingly to sustain value creation for our stakeholders. Our plans for value creation over the short and medium-to-long term in the Manufacturing and Supermarket Sectors is presented below.

Manufacturing Sector



Driving sustainable waste management

Short-term

- Evolve our product and brand portfolio in line with consumer preferences.
- Leverage state-of-the-art extrusion technology in the Confectionery Category to expand our single-serve product range.
- Revamp the fruit juice product range in the Beverages Category.
- Ongoing emphasis on developing local suppliers for key inputs while maintaining mutually beneficial relationships with channel partners.
- Maintain a compelling Employee Value Proposition (EVP) while upskilling our teams in line with the Group's strategic aspirations.
- Sustained focus on improving the energy and water intensity of our operations while upcycling waste plastic and PET bottles through the "Gunadamin" Plastic Recycling Initiative by setting up more MRF centres.
- Impactful community engagement.

Medium-to-long term

- Monitor trends in the consumer landscape and evolve our offerings accordingly.
- Expand into new export markets while increasing penetration in existing overseas markets.
- Evolve our employee value proposition in line with employee needs and the Group's strategic objectives.
- Maintain our commitment to improving the sustainability of our operations while empowering local communities.
- Advanced data Analytic/Artificial Intelligent (AI)/ Digitalisation.

Supermarket Sector



Solar panels installed in Keells outlet

Short-term

- Strengthen customer accessibility by expanding our geographic footprint and strengthening our presence on digital channels.
- Expand and elevate the prepared food Category.
- Refine the in-store experience utilising deep, data-led insights into customer preferences.
- Build talent in line with the Sector's strategic priorities.
- Expand complimentary revenue streams.
- Empower local communities.

Medium-to-long term

- Leverage advanced data-led insights to consistently evolve our retail experience in line with consumer preferences.
- Ongoing emphasis on scaling adjacent businesses.
- Foster an engaging and inclusive workplace that supports employee development.
- Consistent emphasis on managing our environmental impacts while engaging in impactful community engagement.

CAPITAL CONNECTIVITY AND TRADE-OFFS

CCS Group's strategy and business activities carefully balance competing priorities across resources and stakeholder relationships to preserve and create value for its six capitals while limiting value erosion. The significant capital trade-offs we made across our six capitals in 2025/26 to enhance/preserve long-term value are presented below.

	Trade offs	Time frame	Capitals					
			Financial	Manufactured	Human	Intellectual	Social & Relationship	Natural
Sustainable growth	Investments in new machinery and outlet expansion alongside strategic brand activations while adversely impacting financial capital in the short-term, supports value creation for capitals over the medium-to-long term.	Short term	↓	↑			↑	
		Medium to long term	↑					
	Investments in the trifecta of systems, advanced data analytics and AI, strengthens strategy formulation, implementation, and operational efficiency while reducing human capital requirements over the long term.	Short term	↓	↑		↑	↑	
		Medium to long term	↑		↓			
	Environmental impacts of business expansion given increased resource consumption, water and energy requirements and a higher emission footprint.	Short term						↓
		Medium to long term						
Fulfilling the customer promise	New product development in the Manufacturing Sector and focused strategies to elevate the retail experience in the Supermarket Sector.	Short term	↓				↑	
		Medium to long term	↑					
	Strengthened distribution channels to improve island-wide product availability in the Manufacturing Sector, while the Supermarket Sector strengthened its omnichannel service approach to improve customer reach and accessibility.	Short term	↓				↑	
		Medium to long term	↑					
Empowered team	A comprehensive Employee Value Proposition (EVP) that supports employee retention which in turn strengthens organisational tacit knowledge.	Short term	↓		↑			
		Medium to long term	↑			↑		
	Investments to upskill our team.	Short term	↓		↑	↑	↑	
		Medium to long term	↑					
	Improved customer relationships arising from better service in the Supermarket Sector.	Short term					↑	
		Medium to long term	↑					
Managing our value chain	Mutually beneficial relationships with value chain partners and suppliers to enhance long-term profitability.	Short term	↓				↑	
		Medium to long term	↑					
	Local supplier and farmer development while promoting sustainable supply chain practices and climate resilient agricultural methods to strengthen supply security of key inputs.	Short term					↑	
		Medium to long term	↑					↑
Sustainable and responsible organisation	Investments to improve energy efficiency and the sustainable consumption of water will enhance business resilience while aligning with consumers' increasing sustainability related expectations.	Short term	↓				↑	↑
		Medium to long term	↑					
	Ongoing investments in plastic and PET bottle recycling and clean-up initiatives.	Short term	↓				↑	↑
		Medium to long term	↓					
	Impactful community engagement	Short term	↓				↑	
		Medium to long term	↓					





ASSUREDLY STEADFORWARD

Transparent policies and effective governance provide Ceylon Cold Stores PLC with clarity in operations that becomes second nature across the Company. With strong oversight and disciplined frameworks, our work always precedes long-term progress. Our structured approach ensures accountability as we move forward.

Bees navigate using the sun and natural cues, maintaining purpose in any condition. This natural guidance ensures that the hive remains on course for prolonged survival.

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CORPORATE GOVERNANCE

EXECUTIVE SUMMARY

The JKH Group's corporate governance framework is designed to support sustainable long-term value creation through effective leadership, accountability and transparent decision-making, while ensuring compliance with applicable laws, regulations and recognised standards of good governance. The framework provides a structured and disciplined environment within which the JKH Group's strategy is established, performance is monitored and risks are managed, taking into account the interests of a wide range of stakeholders and with evolving expectations and a complex operating environment and macroeconomic conditions.

The Group's corporate governance philosophy is institutionalised across all its business units and supported clearly defined, Board and management oversight mechanisms and a suite of policies, processes and an organisational structure that is reviewed and updated to be aligned with evolving regulations, global best practice, and dynamic stakeholder needs. These mechanisms are intended to sustain a consistent governance baseline across business units while remaining grounded in the core principles of accountability, integrity, transparency and participation. Compliance triggers ensure adherence to mandatory regulatory requirements and ensure continuous monitoring and feedback.

Ceylon Cold Stores PLC (CCS) and its subsidiaries (collectively CCS Group) has its own set of internal policies processes and structures aimed at meeting, and, where possible, exceeding accepted best practice. These arrangements include clearly defined oversight mechanisms and compliance triggers to ensure adherence to mandatory regulatory requirements and are subject to ongoing review to reflect evolving regulations, global best practice, and dynamic stakeholder needs, while remaining grounded in its core principles of accountability, integrity, transparency and participation.

As governance processes and controls are well established across the JKH Group, the Board's focus during the year was on enhancing the clarity, quality and usefulness of governance disclosures, with particular emphasis on demonstrating the Board's role in providing effective oversight, supporting strategic execution and contributing to long-term value creation.

This Corporate Governance Report outlined the key elements of the CCS Group's governance framework, including:

- The principal components of the CCS Group's corporate governance system;
- The mechanisms used to monitor compliance with governance policies laws and regulatory requirements;
- The outlook and emerging governance challenges; and
- The Group's compliance with mandatory requirements and its adoption of selected voluntary codes and reporting standards.

Compliance with statutory and regulatory requirements is summarised within the narrative and presented in detail in the accompanying compliance tables.

COMPLIANCE SUMMARY

Mandatory Regulatory Frameworks – fully compliant
The Companies Act No. 7 of 2007, as amended, including applicable regulations
Listing Rules of the Colombo Stock Exchange (CSE), including circulars
Securities and Exchange Commission of Sri Lanka (SEC) Act No. 19 of 2021, including rules, regulations, directives and circulars
Code of Best Practices on Related Party Transactions (2013) issued by the SEC
SLFRS S1 and S2 – Sustainability Disclosure Standards
Voluntary Frameworks and Standards
Code of Best Practice on Corporate Governance (2023) issued by CA Sri Lanka – complied with to the extent of business exigency and as required by the CCS Group
Transparency International Sri Lanka assessment criteria on transparency in corporate reporting
Reporting Frameworks
International Integrated Reporting Framework published by the International Integrated Reporting Council (IIRC)
Global Reporting Initiative (GRI) Standards
SASB disclosures
Internal Mechanisms
Articles of Association
Board Charter and Board Committee Charters
Code of Conduct
Board and Internal Policies

CORPORATE GOVERNANCE HIGHLIGHTS FOR 2025/26

- Pursuant to the adoption of SLFRS S1 and SLFRS S2 - the sustainability related financial and climate related disclosure standards issued by CA Sri Lanka - the Group undertook a structured implementation programme during the year under review to prepare for compliance with the Colombo Stock Exchange (CSE) reporting requirements, effective 1st January 2025. This process commenced with the engagement of an international external consulting firm to conduct a comprehensive Group wide gap analysis. Based on the findings of this assessment, the Group implemented the requisite frameworks, processes, and governance structures to support the enhanced disclosure requirements. A series of workshops and working sessions for senior leadership and their teams were conducted with the consultants to build internal capability and deepen understanding of the standards and their implications for the Group's reporting and governance processes.
- To strengthen governance and strategic oversight, the Group established the Environmental, Social and Governance (ESG) and Sustainability Steering Committee, which is responsible for overseeing sustainability related impacts, risks, and opportunities, including Sustainability Related Risks and Opportunities (SRROs) and Climate Related Risks and Opportunities (CRROs). The material SRROs and CRROs from a Group perspective were evaluated and presented to the Group Executive Committee (GEC) for subsequent approval and clearance by the CCS Board followed by the JKH Board. The Committee serves as the primary governance forum guiding the Group's sustainability agenda and ensuring alignment with the requirements of SLFRS S1 and SLFRS S2 as the Group progresses towards full implementation.
- Enhanced the JKH Group's enterprise governance and control framework through the phased implementation of SAP RISE, migrating to a standardised, cloud-based core system that improves data integrity, real-time performance visibility, process standardisation, auditability, and internal control effectiveness across operations, supported by enhanced process intelligence through SAP Signavio. The migration was concluded on 9 March 2026 with minimal disruptions and down-time of the system, which has now been fully stabilised. All year-end financial closing requirements were completed on the new system with no significant issues encountered.
    - The Group conducted a high-level review of the authorisation matrix to validate access levels, address any anomalies and ensure secure and consistent user access controls. By addressing these prior to go-live, the Group ensured a smooth transition while safeguarding system security and the integrity of its controls.
- Further strengthened cyber and technology governance through expanded adoption of the Zero Trust Security Model, including enhanced identity-based access controls, strengthened network security, and migration to a Secure Service Edge architecture, improving threat detection, monitoring, policy enforcement, and overall cyber resilience across the Group.
- The JKH Group continued to align its data governance practices with the Personal Data Protection Act, No. 09 of 2022 (PDPA), in line with its internal data protection principles and globally recognised best practices. Dedicated Data Protection Officers oversee compliance, supported by the Data Governance Steering Committee, while ongoing enhancements to technical, security, and organisational controls are implemented to ensure continued compliance with statutory requirements. There were no significant data security related incidents reported during the year and a majority of the gaps across the businesses have been rectified.
- The JKH Group continued to strengthen its compliance framework in relation to financial misconduct, aligning with the Financial Intelligence Unit of Sri Lanka to enhance monitoring, coordination and implementation of Anti-Money Laundering, Counter-Terrorism Financing and Counter-Proliferation Financing measures, recognising their broader national significance.
- The JKH Group partnered with a multinational analytics and advisory company to conduct its annual employee engagement survey, adopting a more performance and productivity focused engagement model. Using the globally benchmarked Q12 framework, the survey generated data-driven insights into employee experience and key areas for development in support of a high-performance, inclusive workplace culture. The methodology empowers managers to take ownership of outcomes through targeted action planning, supported by benchmarking and analytics that drive continuous improvement and strengthen organisational performance.
- During the year under review, the Group concluded Phase 1 of a structured initiative to develop and institutionalise a Group-wide Employer Value Proposition (EVP), undertaken with the support of a globally recognised consulting firm. The process encompassed employee surveys, focus group discussions, and consultations with Group leadership, culminating in the articulation of a defined EVP statement and its supporting pillars. Phase 2, planned for 2026/27, will focus on activating and embedding the EVP across the organisation.

Key Announcements to the Colombo Stock Exchange in 2025/26

- The CCS Board declared a final dividend of Rs.1.99 per share in May 2025 for the financial year 2024/25. Given the performance momentum of the businesses, the Board approved a first, second and third interim dividends of Rs.0.99, Rs.1.21 and Rs.1.48 per share each in July 2025, October 2025 and January 2026 respectively. A final dividend of Rs.3.34 per share was declared in May 2026 for the financial year 2025/26. Accordingly, the dividend declared for 2025/26 is Rs.7.02 per share [2024/25: Rs.5.40 per share].

CORPORATE GOVERNANCE

Board and Board Committee Changes in 2025/26

- Ms. S. T. Ratwatte was re-designated as a Non-Executive, Non-Independent Director with effect from 16 June 2025, upon the completion of nine years on the Board, in accordance with Section 9.8.3(v) of the Listing Rules, which provides that a Director who has served on the Board for more than nine years shall no longer be considered independent.
- Ms. S T Ratwatte, Non-Executive, Non-Independent Director and Dr. (Ms.) R S W Wijeratnam, Non-Executive, Non-Independent Director retired from the Board effective from 20th June 2025, having completed 9 years on the Board.
- Mr. H A J De Silva Wijeyeratne was appointed as the Chairperson of the Audit Committee and Related Party Transactions Review Committee with effect from 16th June 2025.

Highlights of the 128th Annual General Meeting Held on 20th June 2025

- Mr. J G A Cooray, who retired in terms of Article 84 of the Articles of Association of the Company was re-elected as a Non-Executive, Non-Independent Director of the Company.
- Mr. D P Gamlath, who retired in terms of Article 84 of the Articles of Association of the Company was re-elected as an Executive, Non-Independent Director of the Company.
- Ms. R N K Fernando who retired in terms of Article 91 of the Articles of Association of the Company was re-elected as Non-Executive Independent Director of the Company.
- Mr. S Kanag-Isvaran, who retired in terms of Article 91 of the Articles of Association of the Company was re-elected as Non-Executive Independent Director of the Company.
- Mr. H A J De Silva Wijeyeratne, who retired in terms of Article 91 of the Articles of Association of the Company was re-elected as Non-Executive Independent Director of the Company.
- Messrs. Ernst & Young (E&Y) was re-appointed as the External Auditors of the Company and the Directors were authorised to determine the remuneration of E&Y.

The 129th Annual General Meeting will be held on 18th June 2026.

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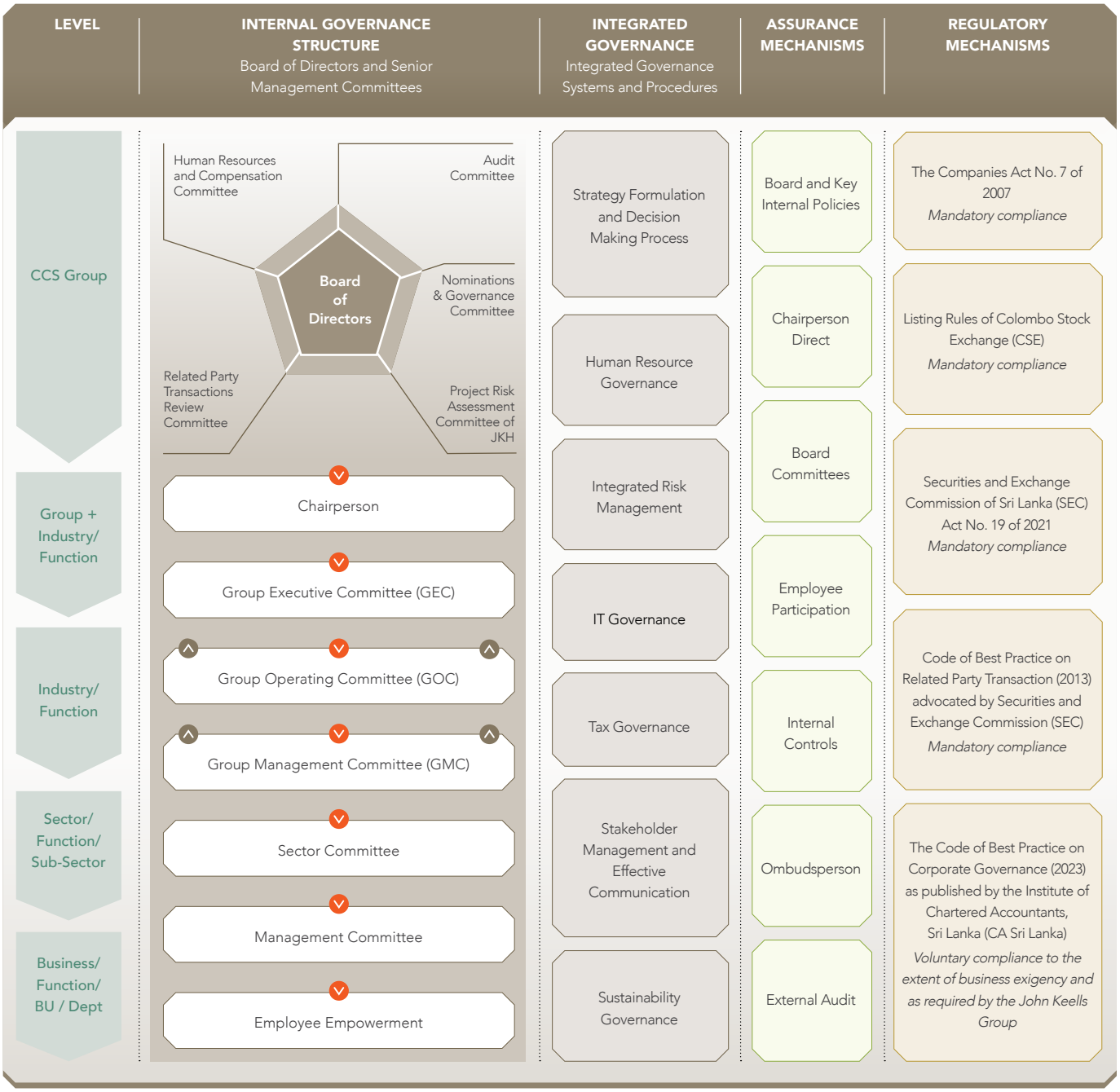
- Statement of Compliance under Section 9 of the Listing Rules of the CSE on Corporate Governance
- Code of Best Practice of Corporate Governance 2023 Issued by CA Sri Lanka.

THE CORPORATE GOVERNANCE SYSTEM

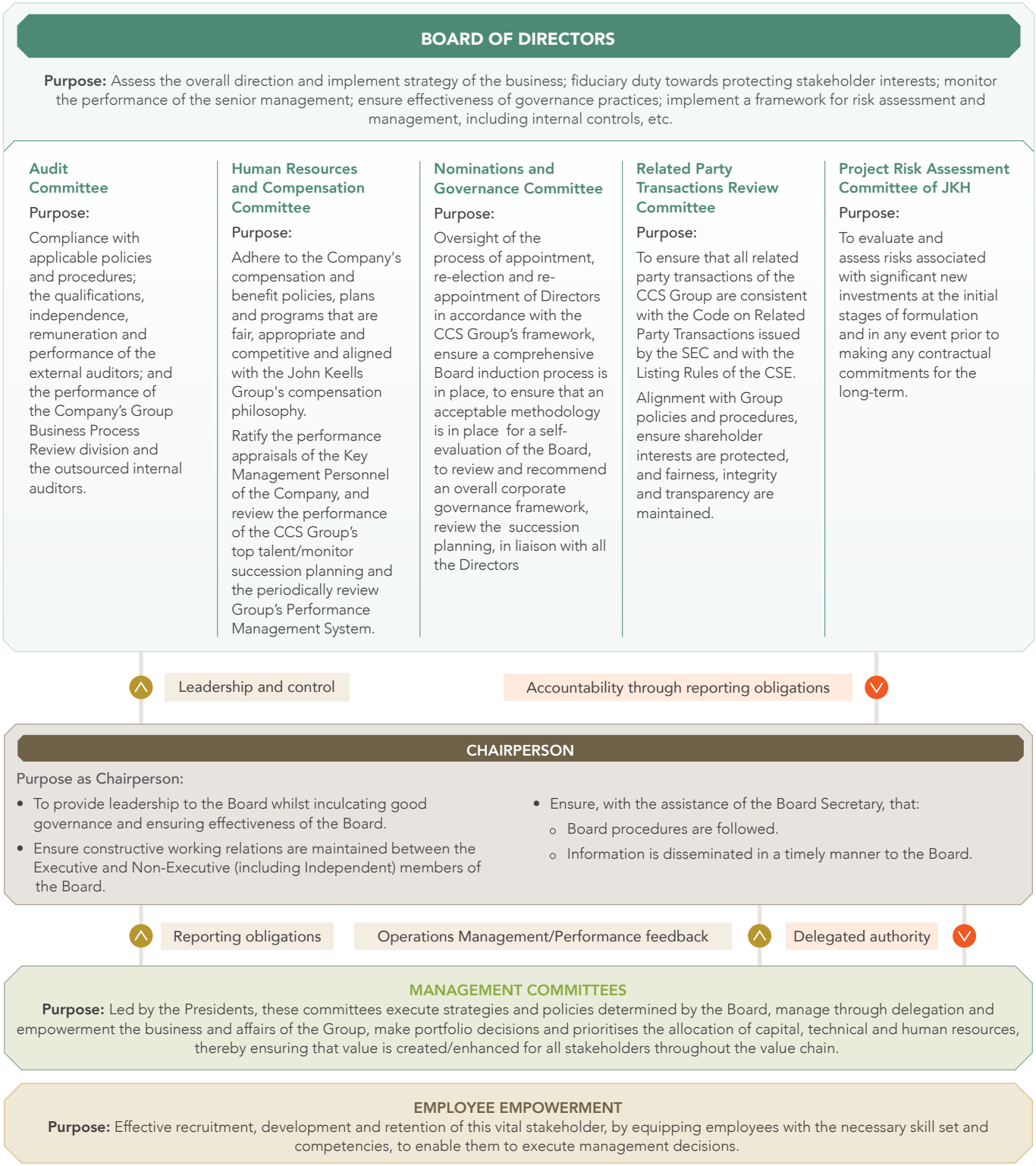
The diagram below illustrates how the governance structures and policies of the Company and CCS Group conform to those of the Parent Company, John Keells Holdings PLC (JKH). It depicts the internal governance structure, from the Board of Directors cascading down to the employee level, the integrated governance systems and procedures of JKH, the Assurance Mechanisms in place and the various regulatory frameworks abided by from a governance standpoint.



- Except for the Project Risk Assessment Committee, all other four (4) Committees are appointed by the CCS Board.
- Audit Committee meetings are attended by the Presidents and Chief Financial Officers of CCS and Jaykay Marketing Services (Pvt) Ltd (JMSL) and the Head of Group Business Process Review, Internal and External Auditors are regular attendees.
- The GOC acts as the binding agent to the various businesses within the CCS Group towards identifying and extracting JKH Group synergies.
- Only the key components are depicted in the diagram.

INTERNAL GOVERNANCE STRUCTURE

The Internal Governance Structure consists of the Board Committees which formulate, execute and monitor Group strategies and initiatives and the policies, processes and procedures employed for doing so. These components have an impact on the execution and monitoring of all governance related initiatives, systems and methods, and are illustrated as follows:



The components of the internal governance structures are strengthened and complemented by internal policies, processes and procedures, such as, strategy formulation and decision making, human resource governance, sustainability governance, integrated risk management, IT governance, tax stewardship and stakeholder management and effective communication.

The Board of Directors

The CCS Board provides strategic direction and oversight, including the establishment of the Group's purpose and values, and ensures that the Group's culture and conduct are aligned with its strategic objectives, in compliance with the Company's Articles of Association, applicable legal and regulatory requirements, and the Group's operating model.

All decisions of the Board are made collectively and in a manner that upholds the principles of accountability, transparency, and good governance. Appropriate checks and balances are in place, as discussed in detail within this, to prevent the concentration of power in a single individual and to promote effective decision-making.

Board Oversight and Delegation of Authority

While the Board is accountable and responsible for the strategic direction and management of the CCS Group, it delegates the authority to the President and senior management to carry out day-to-day operations of the businesses. Once the Board has delegated broad authority, its primary responsibility is to oversee management's performance and ensure compliance with the Broad policies and established governance principles. The Board reserves the right to withdraw or change any delegation of authority as deemed appropriate.

Board oversight involves the continual inquiry by Directors into whether the Board's delegation of authority to management is reasonable, and whether the Board has received sufficient and accurate information from management to make that determination.

Typical areas of oversight include the strategic initiatives, portfolio decisions, financial performance, the integrity of financial statements, accounting and financial reporting processes, internal controls, risk management, Environmental, Social and Governance (ESG) matters, sustainability governance, information technology and security, sustainability governance, and compliance, workplace ethics and environmental matters.

The Group's governance framework ensures that Directors are well-positioned to satisfy their oversight responsibility through periodic assessment of Board agenda priorities and the related structures, processes, and controls that are in place to ensure that the Board is well-informed on a timely basis of matters requiring attention. Appropriate and sufficiently detailed reports are furnished at regular intervals in a form, timeframe and quality that enables the Board to discharge its duties effectively.

Board Responsibilities and Duties

The Board's principal role is to oversee the management and governance of the Group, ensuring that it operates in the best interests of its shareholders and stakeholders. The Board Charter sets out the overall governance framework and the roles and responsibilities of the CCS Board. It is designed to ensure clarity and consistency in Board functions and promotes effective oversight and accountability in the CCS Group's operations.

While the Board assumes these responsibilities on behalf of the shareholders, the Directors recognise that other stakeholders including employees, customers, business partners, regulators and, ultimately, the general public will benefit from effective performance and enhanced governance processes.

The Board's key responsibilities include:

- Providing direction and guidance to the Group in the formulation of sustainable, high-level, medium, and long-term strategies which are aimed at promoting the long-term success of the Group.
- Reviewing and approving annual plans and long-term business plans.
- Tracking actual progress against plans.
- Overseeing and guiding the Group's sustainability-related impacts and risks by monitoring material topics, ensuring alignment with long term value creation, its due diligence processes in relation to sustainability impacts, and maintaining the systems and capabilities needed for timely, decision-useful sustainability information.
- Overseeing the development and implementation of strategies for the identification, assessment, mitigation and management of sustainability-related risks and opportunities, including climate-related risks and opportunities, and ensuring that such strategies are integrated into the Group's overall strategy, risk management framework and capital allocation decisions.
- Reviewing HR processes with emphasis on top management succession planning, including the Diversity, Equity and Inclusion (DE&I) strategy. Ensuring operations are carried out within the scope of the Enterprise Risk Management (ERM) framework.
- Ensuring that IT governance aligns with the Group's strategic objectives, addressing risks related to cybersecurity, data privacy, compliance, and technology investments.
- Appointing and reviewing the performance of the President.
- Ensuring compliance with laws, regulations and ethical standards and monitoring systems of governance and compliance, including concerns on ethics, bribery and corruption.
- Overseeing systems of internal control, risk management and establishing whistle-blowing conduits.
- Determining any changes to the discretions/authorities delegated from the Board to the executive levels.
- Reviewing and approving major acquisitions, disposals and capital expenditure.
- Approving any amendments to constitutional documents.
- Approving the issue of equity/debt/hybrid securities.
- Ensuring all related party transactions are compliant with statutory obligations.
- Ensuring that the Group's values and standards are set with emphasis on adopting appropriate accounting policies and fostering compliance with financial regulations.

- Ensuring all stakeholder interests are considered in corporate decisions.
- Ensuring sustainable business development in corporate strategy decisions and activities.
- Fulfilling such other Board functions as are vital, given the scale, nature and complexity of the business concerned.

Board Composition

As of 31st March 2026, the Board comprised eight (8) Directors, with three (3) of them being Non-Executive Independent (NED/ID), three (3) of them being Non-Executive Non-Independent (NED/NID) and two (2) of them being Executive Non-Independent (ED/NID).

The Group policy is to maintain a healthy balance between Executive, Non-Executive and Independent Directors, in keeping with the applicable rules and codes, with the Executive Directors bringing in deep knowledge of the businesses and the Non-Executive Directors bringing in experience, objectivity and independent oversight. Independent Non-Executive Directors add value to strategic discussions and decision-making, whilst enhancing fair-mindedness.

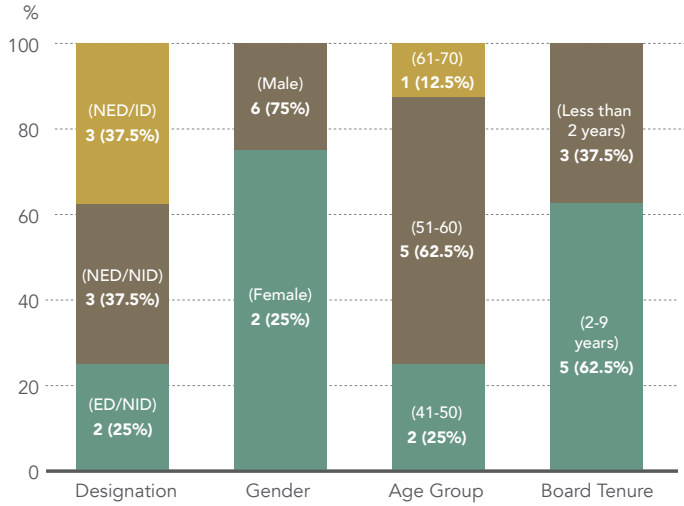
In terms of composition, the Board shall comprise not less than four and not more than eight Directors, unless otherwise permitted by the Articles of Association.

The optimal number of Directors ranges from five to eight Directors, in compliance with applicable law, to facilitate effective group dynamics, foster individual responsibility, ensure adequate expertise and support decision-making. The Board includes at least two Independent Directors or such number equivalent to one third of the total number of Directors, whichever is higher, at any given time to be complaint with the applicable laws.

The current composition of the CCS Board is illustrated as follows;

Name of Director	Executive (ED)/ Non-Executive Director (NED	Independent (ID)/Non-Independent Director (NID)	Year of Appointment	Age (Years, as at 31st March 2026)	Board Meeting Attendance	Tenure on the Board (Years, as at 31st March 2026)
					Attended/Eligible to Attend	
Mr. K N J Balendra - Chairperson	NED	NID	2018	52	4/4	8
Mr. J G A Cooray	NED	NID	2018	49	4/4	8
Mr. K C Subasinghe	NED	NID	2021	53	4/4	5
Mr. D P Gamlath	ED	NID	2017	52	4/4	9
Ms. P N Fernando	ED	NID	2021	52	4/4	5
Mr. H A J De Silva Wijeyeratne	NED	ID	2025	59	4/4	1
Mr. S Kanag-Isvaran	NED	ID	2024	50	4/4	1
Ms. R N K Fernando	NED	ID	2024	63	4/4	1

Board Composition



Board Skills

The CCS Group is conscious of the need to maintain an appropriate mix of skills and experience in the Board through an annual review of its composition in order to ensure Board balance, diversity and appropriate levels of skills and expertise aligned with the current and future needs of the CCS Group.

The Board regularly assesses its collective skills and experience to align with the CCS Group's strategic needs and will use its best endeavours to promote gender diversity and the representation of females on the Board in compliance with applicable law.

Collectively, the Board brings in a multi-dimensional wealth of exposure in the fields of management, business administration, banking, finance, economics, taxation, global multinational operations, information technology, marketing and human resources. All Directors possess the skills, expertise and knowledge complemented with a high sense of integrity and independent judgement.

In addition, the Board possesses collective knowledge and competence to oversee sustainability-related matters and to ensure that environmental, social and governance considerations are integrated into the Group's strategy, risk management and reporting processes.

Following the implementation of SLFRS S1 and SLFRS S2, the JKH Group Deputy Chairperson/JKH Group Finance Director has been actively and closely engaged in strengthening the JKH Group's sustainability governance architecture, including the development and enhancement of underlying frameworks, policies and processes.

Board Access to Independent Professional Advice

To preserve the independence of the Board and to strengthen decision making, the Board is encouraged to seek independent professional advice, where applicable and relevant, in furtherance of their duties, at the Group's expense. This is coordinated through the Board Secretary, as and when requested.

Board Appointment

Board appointments follow a structured and formal process within the purview of the Nominations and Governance Committee.

The Committee has overall responsibility for making recommendations to the Board on all new appointments and for ensuring that the Board and its Committees have the appropriate balance of skills. The Board considers the recommendations of the Nominations and Governance Committee for appointment or re-election by the Board and, where relevant, by the shareholders at the Annual General Meeting.

Details of new Director appointments are disclosed to the CSC and media at the time of their appointment through a public announcement, covering the following:

- A brief resume of the Director.
- The nature of their expertise in relevant functional areas.
- The names of companies in which the Director holds directorships or memberships in Board committees.
- Whether such Director can be considered Independent.

Details of such appointments are also carried as relevant in Annual Reports, Interim releases.

The Group has implemented requisite measures to ensure that the Directors consistently meet the fit and proper criteria stipulated in Section 9.7 of the Listing Rules. In addition, the independence of Independent Non-Executive Directors is assessed in accordance with the applicable independence criteria set out in Section 9.8.3 of the Listing Rules. The Nominations and Governance Committee evaluates the fulfillment of the fit and proper and independence criteria outlined in the Listing Rules prior to presenting any nominations for appointment to the Board. Additionally, annual declarations are obtained from the Directors and the CEO confirming that each individual has met, throughout the relevant financial year, the fit and proper and, where applicable, independence criteria set out in the Listing Rules, continues to meet such criteria as at the date of the declaration, and that any non-compliances have been disclosed.

The Terms of Reference for the members of the Nominations and Governance Committee, and the Committee report can be found in the Nominations and Governance Committee section of this report on pages 129 to 131.

Board Induction and Training

When Directors are newly appointed to the Board, they undergo a comprehensive induction where they are apprised, inter-alia, of the CCS Group's values and culture, its operating model, policies, governance framework and processes, the Code of Conduct (which includes provisions on and anti-bribery) and the operational, environmental and social strategies of the CCS Group.

Additionally, the newly appointed Directors are granted access to relevant segments of the business and are given the opportunity to meet with Key Management Personnel and other key third-party service providers such as External Auditors and consultants, as required.

The Board of Directors recognise the need for continuous training and expansion of knowledge and undertakes such professional development, as they consider necessary, to assist them in carrying out their duties as Directors. To this effect, the Chairperson, and the Nominations and Governance Committee periodically reviews any training and development needs of the Board and recommends any identified gaps to the Board.

Each Director is responsible for ensuring continuous learning and development in their areas of expertise and that their professional qualifications/licenses and memberships are maintained.

The Chairperson ensures that the Board and the Nominations and Governance Committee are informed of significant developments in applicable laws, rules, regulations and corporate governance practices and their potential impact on the Group and ensures that the senior management reports on the Group's compliance with applicable legal and regulatory requirements.

Re-Election

All Independent Non-Executive Directors are appointed for a period of three years, aligned with the Annual General Meeting, and are eligible for re-appointment, subject to the recommendation of the Nominations and Governance Committee and approval of the CCS Board. All Independent Non-Executive Directors may serve a maximum of three (3) successive terms, totalling nine (9) years unless otherwise permitted under Applicable Law or unless an extended Board tenure is necessitated by the requirements of the CCS Group.

All contracts are renewed by the Board based on the recommendation of the Nominations and Governance Committee and such recommendation will be based on the Directors meeting fit and proper criteria and, where relevant, independence criteria in addition to other requirements pertaining to qualifications, skills and experience, strategic demands facing the company and time commitments, diversity, etc which are considered.

In terms of the Articles of Association, one third of all the Executive and Non-Executive Directors retire by rotation, except for the Chairperson, and are eligible for re-election at the Annual General Meeting by the shareholders.

Annually, the Board discusses the possibility of any impairment of Director independence and collectively evaluates the independence of such Board members.

Board Meetings

Regularity of Meetings

The quarterly Board meetings are scheduled well in advance to ensure full attendance the Board and the Board Committees meetings through audio visual means are accounted for attendance. In addition the Board of Directors communicate, as appropriate, when issues of strategic importance requiring extensive discussions arise.

The Board may increase the frequency of meetings based on the needs of the Board and the business exigencies of the Group. The Chairperson presides at all Board meetings, unless excused or absent, in which circumstance another Director shall lead proceedings. Directors are required to attend a minimum of two or 50% of the meetings held during the financial year, whichever is higher, unless otherwise excused by the Board.

Pertinent Board discussions and decisions are recorded by the Board Secretary in the Board minutes, and such minutes are put forward for approval of the Board at the next Board Meeting. All records pertaining to Board meetings and decisions are maintained in the minute book by the Board Secretary.

During the financial year under review, there were four (4) Board meetings. The attendance at the Board meetings held during the financial year 2025/26 is given below:

Name	Year of Appointment	30/04/2025	28/07/2025	31/10/2025	27/01/2026	Eligibility	Attended
Non-Executive/ Non-Independent							
Mr. K N J Balendra	2018	✓	✓	✓	✓	4	4
Mr. J G A Cooray	2018	✓	✓	✓	✓	4	4
Mr. K C Subasinghe	2021	✓	✓	✓	✓	4	4
Dr. (Ms.) R S W Wijeratnam**	2016	✓	N/A	N/A	N/A	1	1
Executive/ Non-Independent							
Mr. D P Gamlath	2017	✓	✓	✓	✓	4	4
Ms. P N Fernando	2021	✓	✓	✓	✓	4	4
Non-Executive/ Independent							
Ms. S T Ratwatte*	2016	✓	N/A	N/A	N/A	1	1
Mr. H A J De Silva Wijeyeratne	2025	✓	✓	✓	✓	4	4
Mr. S Kanag-Isvaran	2024	✓	✓	✓	✓	4	4
Ms. R N K Fernando	2024	✓	✓	✓	✓	4	4

** Designated as a Non-Executive Non-Independent Director with effect from 16th June 2025 upon completion of 9 years on the Board and retired from the Board with effect from 20th June 2025.*
*** Retired from the Board with effect from 20th June 2025.*

Timely Supply of Information

The Directors were provided with the necessary information, well in advance, by way of electronic Board papers and proposals, as relevant, for all Board meetings held during the year, in addition to the monthly and quarterly information submitted pertaining to the Group, in order to ensure robust discussion, informed deliberation and effective decision-making.

The Directors continue to have access to, and independent contact with, the senior management of the CCS Group.

Board Agenda

The agenda for meetings is determined by the Chairperson, where relevant, consulting the Directors and Board Secretary, with information relevant to such meetings disseminated to the Board in a timely manner. During the period under review, the Chairperson ensured that all Board proceedings were conducted smoothly and efficiently, approving the agenda for each meeting prepared by the Board Secretary.

The typical Board agenda in 2025/26 entailed, discussion of matters arising from the previous minutes, submission of Board Committee reports, status updates of major projects, review of performance, strategy formulation, approval of quarterly and annual financial statements, review of risk, sustainability and corporate social responsibility related aspects, ratification of capital expenditure and ratification of the use of Common Seal, among others.

Added emphasis was also placed on business performance in lieu of the challenges stemming from the macroeconomic volatilities and uncertainties.

Board Secretary

Keells Consultants (Private) Limited, the Company Secretaries, functions as the Board Secretary to the Company.

The key responsibilities of the Board Secretary:

- Assist the Board with compliance related matters pertaining to the Articles of Association, Applicable Law and corporate governance practices adopted by the Group.
- Organise, coordinate, and support the scheduling of Board meetings, ensuring that all required documents and agendas are distributed in advance.
- Attend Board meetings a record minutes and ensure that all decisions are accurately documented.

- Facilitate regular updates to the Board on key developments in applicable Law and corporate governance practices.
- Assist in monitoring the Board's compliance with internal policies.
- Facilitate communications between the Board and the management of the Group.

Time Dedicated by Non-Executive Directors

The Board has dedicated adequate time for the fulfilment of their duties as Directors of the CCS Group.

In addition to attending Board meetings, the Directors have attended the respective Board Committee meetings and have also contributed to decision-making via Circular Resolutions and one-on-one meetings with Key Management Personnel, when necessary.

Board Evaluation

The Board conducted its annual Board performance appraisal for the financial year 2025/26. The process for the periodic evaluation of performance of Board is established under the oversight of the Nominations and Governance Committees. This formalised process of individual appraisal enabled each member to self-appraise, on an anonymous basis, the performance of the Board under the areas of:

- Role clarity and effective discharge of responsibilities
- People mix, balance and structures
- Systems and procedures
- Quality of participation
- Board and corporate image and reputation
- Consideration of Sustainability Impacts, Risks and Opportunities in strategies decision making

More recent deliberations have centred around the operationalisation of the large scale investments of the Group, continuous enhancement on the approach to proactively managing identification of risks, particularly in relation to cybersecurity risks, business resilience and enterprise risk management, including holistic ESG-related policies.

It also includes periodic 360-degree appraisals for Executive Directors and other key management personnel.

Ensuring Independence and Managing Conflicts of Interests

The CCS Group takes necessary steps to ensure that Directors avoid situations in which they have, or could have, a direct or indirect interest which conflicts with, or might possibly conflict, with the interests of the CCS Group.

In order to avoid such potential conflicts or biases, the Directors make a general disclosure of interests, as illustrated below, at appointment, at the beginning of every financial year, and during the year, as required. The confirmatory statement shall include declaration of all material interests in contracts involving the Company and whether they have refrained from voting on materially interested matters.

Such potential conflicts are reviewed by the Board from time to time to ensure the integrity of the Board's independence. The details of companies in which Board members hold Board or Board Committee membership are available with the Company Secretary for inspection by shareholders, on request.

Prior to Appointment

- Nominees are requested to make known their various interests.
- Provision of declarations and documents to confirm that there are no conflicts, meet the fit and proper criteria and satisfy the independence criteria (to the extent applicable)

Once Appointed

- Directors obtain Board clearance prior to:
  - Accepting a new position.
  - Engaging in any transaction that could create or potentially create a conflict of interest.
- All NEDs are required to notify the Chairperson of any changes to their current Board representations or interests and a new declaration is made annually.
- Provision of declarations and documents to confirm that there are no conflicts, meet the fit and proper criteria and satisfy the independence criteria. (to the extent applicable)

During Board Meetings

- Directors who have an interest in a matter under discussion:
  - Excuse themselves from deliberations on the subject matter.
  - Abstain from voting on the subject matter (abstention from decisions is duly minuted).

The independence of all its Non-Executive Independent Directors was reviewed on the basis of criteria summarised as follows.

The Non-Executive Independent Directors did not have a conflict of interest as at 31st March 2026, as per the criteria for independence outlined below.

	Criteria for defining independence	Status of conformity of NED/IDs
1.	Shareholding carrying not less than 10% of voting rights.	None of the NED/IDs' shareholding exceed 1%.
2.	Director of another company*.	None of the NED/IDs are Directors of another related party company.
3.	Income/non-cash benefit equivalent to 20% of the Director's annual income excluding income/non-cash benefits received which are applicable on a uniform basis to all Non-Executive Directors on the Board.	NED/ID income/cash benefits are less than 20% of an individual Director's annual income.
4.	Employment at CCS Group and/or material business relationship with CCS Group, currently or in the three years immediately preceding appointment as a Director.	None of the NED/IDs are employed or have been employed at CCS Group or any of its subsidiaries or JKH Group.
5.	Close family member is a Director, or a Key Management Personnel.	No family member of the EDs or NED/IDs is a Director or a Key Management Personnel of a Related Party Company.
6.	Has served on the Board continuously for a period exceeding nine years from the date of the first appointment.	No NED/ID has served on the Board more than nine (9) years.
7.	Is employed, is a Director, has a material business relationship and/or significant shareholding in other companies*. Entails other companies that have significant shareholding in CCS Group and/or CCS Group has a business connection with.	None of the NED/IDs are employed, are Directors, or have a material business relationship or a significant shareholding of another related party company as defined.
8.	Is below 70 years of age, unless Nominations and Governance Committee recommends the appointment, the Board of Directors approves the recommendation and the shareholders approve by passing a resolution through a majority vote of the public shareholders at a general meeting of the Company.	All NED/IDs are below the age of 70 years.

* Other companies in which a majority of the other Directors of the listed company are employed or are Directors or have a significant shareholding or have a material business relationship or where the core line of business of such company is in direct conflict with the line of business of the listed company.

Details in Respect of Directors

In accordance with the Group policy and subject to applicable law, the Directors shall not hold more than fifteen Directorships in listed companies.

The following table illustrates the total number of Board seats held and employed as key management personnel in other companies by each Director.

Name of Director	Board Seats Held and employed as Key Management Personnel in Other Listed Sri Lankan Companies			No. of Board Seats Held in Other Unlisted Sri Lankan Companies
	Executive Capacity	Non-Executive Capacity	Key Management Personnel	
Mr. K N J Balendra – Chairperson	John Keells Holdings PLC	➲ Asian Hotels & Properties PLC ➲ John Keells PLC ➲ John Keells Hotels PLC ➲ Keells Food Products PLC ➲ Trans Asia Hotels PLC ➲ Union Assurance PLC	Nil	Director of several unlisted companies in the John Keells Group.
Mr. J G A Cooray	John Keells Holdings PLC	➲ Asian Hotels & Properties PLC ➲ John Keells PLC ➲ John Keells Hotels PLC ➲ Keells Food Products PLC ➲ Trans Asia Hotels PLC	Nil	Director of several unlisted companies in the John Keells Group.
Mr. K C Subasinghe	Nil	➲ Nations Trust Bank PLC	Nil	Director of several unlisted companies in the John Keells Group.
Mr. D P Gamlath	Nil	➲ Keells Food Products PLC ➲ Union Assurance PLC	Nil	Director of several unlisted companies in the John Keells Group.
Ms. P N Fernando	Nil	➲ Keells Food Products PLC	Nil	➲ The Colombo Ice Company (Private) Limited - Executive Director ➲ John Keells Restaurants (Private) Limited - Executive Director
Mr. H A J De Silva Wijeyeratne	Nil	➲ Trans Asia Hotels PLC ➲ DFCC Bank PLC ➲ Ceylon Tobacco Company PLC	Nil	➲ Avastha Financial Advisory Services (Private) Limited - Executive Director ➲ Gamini Corea Trust - Non-Executive Director ➲ Kalayana SL Guarantee Limited - Co-Founder and Executive Director
Ms. R N K Fernando	Nil	➲ Chairperson - Dialog Finance PLC	Group Digital Services Officer – Dialog Axiata PLC	➲ Dialog Axiata Digital Innovation Fund (Pvt) Ltd - Non-Executive Director ➲ Digital Holdings (Private) Limited - Non-Executive Director ➲ Agrithmics (Private) Limited - Non-Executive Director ➲ Ifinity (Private) Limited - Non-Executive Director ➲ Headstart (Private) Limited - Non-Executive Director
Mr. S Kanag-Isvaran	Nil	➲ Dialog Finance PLC	Nil	Nil

Directors' Shareholding in Ceylon Cold Stores PLC (Including the Spouse)	31 March 2026	31 March 2025
Mr. K N J Balendra	819,040	819,040
Mr. J G A Cooray	Nil	Nil
Mr. K C Subasinghe	45,000	45,000
Mr. D P Gamlath	Nil	Nil
Ms. P N Fernando	Nil	Nil
Mr. H A J De Silva Wijeyeratne	Nil	Nil
Mr. S Kanag-Isvaran	Nil	Nil
Ms. R N K Fernando	Nil	Nil

Director Remuneration

Executive Director Remuneration

The Human Resources and Compensation Committee of John Keells Holdings PLC (JKH HRCC), the holding company of CCS, is responsible for determining the John Keells Group remuneration philosophy and overall framework. The Board of CCS has adopted a remuneration policy aligned with the Group's philosophy and framework, and the CCS HRCC periodically reviews this policy to ensure continued alignment with the JKH Group framework and best practice. Executive Director remuneration is approved by the Board of CCS, based on the remuneration policy, the overall Group remuneration philosophy, and recommendations of the JKH HRCC, taking into consideration performance targets, benchmark principles and industry trends. No Director is involved in fixing his/her own remuneration.

Refer the Human Resources and Compensation Committee section of this report for further details on pages 127-128

A material proportion of Executive Director remuneration is variable. The variability is linked to the peer-adjusted consolidated Group bottom line and expected returns on shareholder funds, which aligns with the interest of shareholders by incentivising sustainable value creation over time. In determining remuneration, other non-financial key performance indicators (KPIs), including ESG considerations, are also given due prominence.

During the year, employee share options (ESOPs), valued using a binomial pricing model, were granted to the Executive Directors as well as to all other eligible employees from the Parent company, JKH. Further details are found in the Notes to the Financial Statements section and Share Information section of this Annual Report.

Excluding ESOPs granted, the total aggregate remuneration paid to Executive Directors for the year under review was Rs. 411 million [2024/25: Rs. 280 million].

Non-Executive Director Remuneration

The compensation of Non-Executive Directors is determined by the Board, based on the principles of non-discriminatory pay practices and with reference to fees paid to other Non-Executive Directors of comparable companies, macro-economic conditions, time commitments to be made by such Directors and the complexities of the CCS Group.

Non-Executive Directors were paid additional fees for either chairing or being a member of a Board Committee and did not receive any performance/incentive payments/share option plans.

The total aggregate of Non-Executive Director remuneration for the year was Rs. 15 million [2024/25: Rs. 14 million].

Compensation for Early Termination

In the event of an early termination of a Director, there are no compensation commitments other than for:

- Executive Directors: as per their employment contract similar to any other employee.
- Non-Executive Directors: accrued fees payable for Board and Board Committee membership, if any, as per the terms of their contract.

Apart from the remuneration and compensation disclosed above, no other considerations such as recruitment incentives, termination benefits, or retirement benefits have been made to the Directors and no clawbacks have been reported during the year.

Board Committees

Whilst retaining final decision rights, the Board has delegated certain functions to Board Committees. Members of these Committees focus on their designated areas of responsibility and impart knowledge and oversight in areas where they have greater expertise.

The five Board Committees are as follows:

i. Audit Committee
ii. Human Resources and Compensation Committee
iii. Nominations and Governance Committee
iv. Related Party Transactions Review Committee
v. Project Risk Assessment Committee of the Parent Company - JKH

Out of the five Board Committees, four are mandatory, whilst the Project Risk Assessment Committee was formed voluntarily, considering the need to understand the risks and feasibility of material new investments at an earlier stage for better alignment with the Board, given the diverse nature of businesses within the JKH Group.

Important matters arising from the Board Committee meetings are deliberated at the Board meetings, and any concerns identified are referred to the Board for oversight.

The Board Committees comprise predominantly Independent Non-Executive Directors.

The membership of the five Board Committees is as follows:

Board Committee Membership as at 31st March 2026	Audit Committee	Human Resources and Compensation Committee	Nominations and Governance Committee	Related Party Transactions Review Committee	Project Risk Assessment Committee of JKH *
Non-Executive/ Non-Independent					
Mr. K N J Balendra	-	-	Member	-	Member
Mr. J G A Cooray	-	Member	-	-	Member
Mr. K C Subasinghe	-	-	-	-	-
Executive/ Non-Independent					
Mr. D P Gamlath	-	-	-	-	-
Ms. P N Fernando	-	-	-	-	-
Independent/ Non-Executive					
Mr. H A J De Silva Wijeyeratne	Chairperson	-	-	Chairperson	-
Mr. S Kanag-Isvaran	Member	Member	Member	Member	-
Ms. R N K Fernando	Member	Chairperson	Chairperson	Member	-

** Mr. D A Cabraal and Dr. (Mr.) S S H Wijayasuriya (Chairperson) are members of the JKH Project Risk Assessment Committee which is formed by the Parent Company*

Audit Committee

The CCS Group's Audit Committee comprises three (3) Non-Executive Independent Directors as of 31st March 2026.

Composition

- Comprises three (3) Independent Non-Executive Directors, with the Chairperson of the committee having significant, recent and relevant financial management and accounting experience, and membership in a recognised professional accounting body.
- The Sector Presidents, the Sector Chief Financial Officers and the Head of JKH Group Business Process Review are permanent invitees for all Committee meetings.

Scope

- Overseeing the preparation, presentation and review of the quarterly and annual financial statements, including the quality, transparency, integrity, accuracy and compliance with accounting standards, laws and regulations, prior to tabling the same for the approval of the Board of Directors.
- Assess the adequacy and effectiveness of the internal control environment in the Group and ensure that appropriate action is taken by management on the recommendations of the internal auditors and to prevent the leakage of material information to unauthorised persons.
- Obtain and review assurance received from the Sector Presidents and the Sector Chief Financial Officers and other Key Management Personnel, as relevant, that the financial records have been properly maintained, and the financial statements give a true and fair view of the Company's and CCS Group's operations and finances.
- Evaluate the competence and effectiveness of the risk management systems and internal controls of the CCS Group and ensure robustness and effectiveness in monitoring and controlling risks, as recommended by the internal auditors.
- Review the adequacy and effectiveness of internal and external audit arrangements.
- Review the risk policies adopted by the Company on an annual basis.
- Recommend the appointment, re-appointment and removal of the External Auditors including their remuneration and terms of engagement by assessing qualifications, expertise, resources and independence.

Report of the Audit Committee

Refer Audit Committee Report on page 267 to 269 of the Annual Report.

Audit Committee Meeting Attendance

No of meetings – Five (05) - The Committee convened at least once every quarter.

Members	Date of Appointment	Eligible to Attend	Attended
Mr. H A J De Silva Wijeyeratne – Chairperson	01/01/2025	5	5
Ms. S T Ratwatte *	17/06/2016	1	1
Dr. (Ms.) R S W Wijeratnam *	17/06/2016	1	1
Ms. R N K Fernando	19/06/2024	5	5
Mr. S Kanag-Isvaran	19/06/2024	5	5
By Invitation			
Mr. D P Gamlath		5	5
Ms. P N Fernando		5	5

**Retired with effect from 20.06.2025*

Human Resources and Compensation Committee

Composition

- The Committee comprises three (3) Non-Executive Directors, out of which two (2) Directors are Independent Non-Executive Directors and the other Director is a Non-Independent Non-Executive Director.
- The Chairperson of the Committee is an Independent Non-Executive Director.
- Company Secretary is the Secretary of the Committee.

Scope

- Adhere to the compensation and benefit policies, plans and programs of the Company, to ensure that the Company maintains fair, appropriate and competitive remuneration practices that align with the JKH Group's remuneration practices, benefit plans, strategies and performance objectives, whilst taking into consideration other stakeholder interests.
- Ratify the performance appraisals of the KMPs of the Company, as deliberated and approved by the Group Career Committee (comprising of the Chairperson-CEO and the Group Executive Committee) of the ultimate parent company, John Keells Holdings PLC (JKH).
- Reviewing and monitor the performance of the Company's top talent for purposes of organisational growth and succession planning, with particular emphasis on succession at KMP levels.

Human Resources and Compensation Committee Meeting Attendance

Members	Date of Appointment	Eligible to Attend	Attended
Ms. R N K Fernando - Chairperson	01/10/2024	1	1
Mr. S Kanag-Isvaran	01/10/2024	1	1
Mr. J G A Cooray	01/10/2024	1	1

Report of the Human Resources and Compensation Committee

The Committee is governed by a Charter (Terms of Reference) that defines its mandate, functions, composition, and practices. The Charter is reviewed periodically to ensure alignment with regulatory requirements and corporate governance best practices, including Section 9.12 of the Listing Rules. The Company Secretary serves as its Secretary.

The Committee plays a vital role in the Company's governance framework by ensuring compensation and benefits policies are fair, competitive, and aligned with the John Keells Group's compensation philosophy. It reviews and ratifies the performance appraisals of the Key Management Personnels, who are pivotal in shaping business strategy and decision-making, while also making recommendations to the Board. Additionally, the Committee monitors and evaluates top talent performance to support organisational growth and succession planning, with a focus on key executive roles. In fulfilling these responsibilities, it ensures the alignment of stakeholder interests, the retention of top talent, and compliance with legal and regulatory standards.

The Chairperson of the Committee updates the Board on pertinent matters during Board meetings, ensuring key developments and relevant issues are addressed. The Committee confirms compliance with the Companies Act No. 07 of 2007 regarding Director remuneration and confirms that no individual was involved in decisions concerning his/her own remuneration. Performance appraisals, along with short-term and long-term incentive calculations for the Key Management Personnels, were conducted in line with approved processes and the framework of the John Keells Group. As part of its governance responsibilities, the Committee conducted a self-evaluation of its performance for the year and concluded that its functions were carried out effectively in accordance with the Committee Charter.



R N K Fernando

Chairperson of the Human Resources and Compensation Committee

25th May 2026

Nominations and Governance Committee

Composition

- The Committee comprises three (3) Non-Executive Directors, out of which two (2) Directors are Independent Non-Executive Directors and the other Director is a Non-Independent Non-Executive Director.
- The Chairperson of the Committee is an Independent Non-Executive Director.
- Company Secretary is the Secretary of the Committee.

Scope

- Lead the process of Board appointments, Board inductions and to make recommendations to the Board in respect of all new Board appointments, and the re-election/re-appointment of those retiring in terms of the Articles of Association, under contract or applicable law;
- Define and establish processes for the nomination and re-appointment/re-election of Independent Non -Executive Director and Non-Independent Non-Executive Directors.
- Ensure that there is an acceptable methodology in place to periodically carry out a self-evaluation of the Board, which will be administered by an Independent Director and the outcomes discussed at the Board level.
- Review and recommend an overall corporate governance framework in accordance with the Group, considering applicable laws, rules, regulatory requirements and industry/international best practices

Nominations and Governance Committee Meeting attendance

Members	Date of Appointment	Eligible to Attend	Attended
Ms. R N K Fernando - Chairperson	01/10/2024	1	1
Mr. S Kanag-Isvaran	01/10/2024	1	1
Mr. K N J Balendra	01/10/2024	1	1

Report of the Nominations and Governance Committee

The Nomination and Governance Committee, appointed by the Board, is constituted in compliance with the Listing Rules and the Company's Corporate Governance framework. Governed by a Charter (Terms of Reference), it defines the Committee's mandate, functions, composition, and operative practices, reviewed annually for alignment with regulatory requirements, including Section 9.11.5 of the Listing Rules and corporate governance best practices voluntarily adopted by the Company. The Company Secretary serves as its Secretary.

The Committee reaffirmed its mandate to:

- Lead the process of Board appointments and to make recommendations to the Board in respect of all new Board appointments, and the re-election/ re-appointment of those retiring in terms of the Articles of Association, under contract or applicable law.
- Oversee the process of appointment, re-election and re-appointment of Directors to the Board of the Company, in accordance with the John Keells Group's philosophy and framework on matters pertaining to the appointment and tenure of Directors of the listed subsidiaries.
- Ensure a comprehensive Board induction process is in place and is carried out in a timely manner.
- Define and establish processes for the nomination and re-appointment/ re-election of Independent Non-Executive Director and Non-Independent Non-Executive Directors.
- Ensure that there is an acceptable methodology in place to periodically carry out a self-evaluation of the Board, which will be administered by the Chairperson of this Committee and the outcomes discussed at the Board level.
- Review and recommend an overall corporate governance framework, considering applicable laws, rules, regulatory requirements and industry/international best practices.

Activities During the Year

During the financial year ended 31 March 2026, the Committee undertook the following key activities:

- Collaborated with the Board in reviewing the skills and competencies required for effective Board functioning.
- Prioritised Board balance and diversity by considering a broad range of factors—including experience, skills, age, gender, and other attributes—to foster a well-rounded mix of perspectives that enhance decision-making and Board performance. These considerations were integrated into the Director appointment process.
- Evaluated all appointments and re-appointments to the Board, ensuring that all appointments were made in alignment with the Company's corporate governance policies and framework, including succession planning, and were conducted in an informed, equitable, and impartial manner, with no individual participating in decisions pertaining to their own appointment/re-appointment.
- Ensured that in accordance with Article 84 of the Company's Articles of Association, one-third of the Directors on the Board being subject to retirement by rotation by virtue of being the longest-serving members in office (excluding the Chairperson) retired by rotation at each Annual General Meeting. Additionally, ensured adherence to Article 91, requiring Directors appointed during the year, if any, to retire at the first Annual General Meeting following their appointment.
- During the year, the following Directors, retiring under Articles 84 and 91 and being eligible for re-election, were presented along with their respective profiles, to the shareholders of the Company for re-election at the Annual General Meeting held on 20 June 2025:
  - Mr. J G A Cooray, Non-Independent Non-Executive Director (Article 84)
  - Mr. D P Gamlath, Executive Director (Article 84)
  - Mr. R N K Fernando, Independent Non-Executive Director (Article 91)
  - Mr. S Kanag-Isvaran - Independent Non-Executive Director (Article 91)
  - Mr. H A J De Silva - Independent Non-Executive Director (Article 91)
- Ensured that newly appointed Directors were provided with an induction to the Company and the Group together with an induction pack containing key governance documents.
- Ensured that all Directors, including Independent Non-Executive Directors, remained informed of regulatory updates, governance developments and significant matters relevant to the Company and the Group, through periodic briefings at Board and Board Committee meetings from the Chairperson, Executive Directors, Company Secretary, and senior management and through Board notes.

- Reviewed general disclosure of interests, statutory and fit and proper declarations submitted by Directors and confirmed their eligibility in accordance with the Listing Rules and applicable governance requirements.
- Reviewed the independence declarations submitted by Independent Non-Executive Directors and confirmed their compliance with the criteria outlined in Rule 9.8.3 of the Listing Rules.
- Reviewed key Company policies ensuring compliance with Rule 9.2 of the Listing Rules.

Director Profiles and Information Disclosures

The profiles of the Company's Directors, including details of their first appointment to the Board, most recent re-appointment, nature of Directorship, appointments to Board Committees, principal commitments and positions held and any relevant relationships (including relationships with other Directors, the Company, or significant shareholders of the Company), are provided in the Board and Management Profiles and Corporate Governance sections of this Annual Report.

Directors Retiring at the Annual General Meeting of the Company for the Financial Year 2025/2026.

The following Directors who are retiring under Article 84 of the Articles of Association of the Company will be placed before the shareholders at the Annual General Meeting of the Company for re-election:

Members proposed for re-election	Nature of Directorship	Date of first appointment as a Director	Date of last re-appointment as a Director	Current membership in Board Committees, other principal commitments and any other relationships
Ms. P N Fernando (Article 84)	Executive Director	1 January 2021	18 June 2024	The details are provided in the Board Profiles and Corporate Governance sections of this Annual Report
Mr. K C Subasinghe (Article 84)	Non-Executive Director	1 January 2021	18 June 2024	

Board and Board Committee Evaluations

- The Committee conducted a self-evaluation of its performance for the year and concluded that its functions were carried out effectively in accordance with the Committee Charter.
- All other Committees of the Board underwent similar performance assessments.
- The Board completed an annual self-assessment of its performance for the financial year 2025/26, the outcome of which were discussed between the Board and the Committee.

Reporting

The Committee reports its activities at each Board Meeting of the Company.

Governance Practices and Compliance with Listing Rules

The Committee has reviewed the management report confirming compliance with the corporate governance framework and confirms that all applicable requirements under Section 9 of the Listing Rules have been met. The Company continues to strengthen its governance practices to promote transparency, accountability, and stakeholder confidence. A detailed statement of the Company's compliance with the Listing Rules may be found in the Corporate Governance section of the Annual Report.



R N K Fernando

Chairperson of the Nominations and Governance Committee

25th May 2026

Related Party Transactions Review Committee

Composition	➲ The Committee comprises three (3) Independent Non-Executive Directors. ➲ The Sector Presidents, the Sector Chief Financial Officers and the Head of JKH Group Business Process Review are permanent invitees for all Committee meetings. ➲ The Chairperson shall be an Independent Non-Executive Director.
Scope	➲ All proposed Related Party Transactions shall be reviewed in advance and in the event of any material changes, such changes shall also be reviewed by the Related Party Transactions Review Committee prior to the completion of the transaction. ➲ Develop and recommend for adoption by the Board of Directors a Related Party Transaction Policy which is consistent with the operating model and the delegated decision rights of the Group. ➲ Update the Board on Related Party Transactions of the CCS Group on a quarterly basis and formally request the Board to approve the Related Party Transactions following the determination of whether such approval is needed. ➲ Define and establish the threshold values for each of the subject companies in setting a benchmark for Related Party Transactions, Related Party Transactions which have to be pre-approved by the Board, Related Party Transactions which require to be reviewed annually, such as recurrent Related Party Transactions and similar issues relating to listed companies. ➲ Ensure that they have or have access to expertise to assess all aspects of proposed Related Party Transactions, and where necessary, obtain expert advice from an appropriately qualified person. ➲ Where a Director has personal material interest in a matter being reviewed by the Committee, such Director shall not be present in the Meeting and shall not vote in the matter, except at the request of the Committee.

Related Party Transactions Review Committee Meeting Attendance and Composition

The Committee met on four (4) occasions during the year under review.

Members	Date of Appointment	Eligible to Attend	Attended
Ms. S T Ratwatte *	01/10/2024	1	1
Dr. R S W Wijeratnam *	01/10/2024	1	1
Mr. H A J De Silva Wijeyeratne - Chairperson	01/01/2025	4	4
Ms. R N K Fernando	01/10/2024	4	4
Mr. S Kanag-Isvaran	01/10/2024	4	4

**Retired with effect from 20th June 2025.*

Note: The Committee convened at least once every quarter.

Report of the Related Party Transactions Review Committee

Objective and Governing Policies

The objective of the Committee is to exercise oversight on behalf of the Board of CCS Group, to ensure compliance with all applicable rules and regulations, namely the Code on Related Party Transactions, as issued by the Securities and Exchange Commission of Sri Lanka ('The Code') and the Listing Rules of the Colombo Stock Exchange (CSE). The Committee has also adopted best practices as recommended by the Institute of Chartered Accountants of Sri Lanka and ensures that transactions are in line with the Groups' internal governance framework and associated policies.

Procedure

The Committee in discharging its functions primarily relied on processes that were validated from time to time and periodic reporting by the relevant entities and Key Management Personnel (KMP) with a view to ensuring that:

- there is compliance with 'The Code' and the Listing Rules of the CSE;
- shareholder interests are protected, and;
- fairness and transparency are maintained.

Non-Recurrent Related Party Transactions (RPTs) of CCS Group:

The Committee reviewed and pre-approved all proposed non-recurrent Related Party Transactions (RPTs) of CCS Group for the full period under consideration.

Recurrent RPTs of CCS Group:

The Committee has endorsed guidelines to facilitate disclosures and assurances to be provided by the senior Management of so as to validate compliance with section 9.5(a) of the Listing Rules and thus exclusion from the mandate for review and pre-approval of such transactions by the Committee.

Accordingly recurrent RPTs as well as the aforesaid disclosures and assurances were reviewed annually by the Committee.

Other Significant Transactions:

Material transactions in the CCS Group were presented to the Committee for information.

The Group continued to adopt a broader scope in defining key management personnel including therein all senior decision makers. Accordingly, in addition to the Directors, Presidents and Executive Vice Presidents have been designated as KMPs in order to increase transparency and enhance good governance. Annual disclosures from all KMPs setting out any RPTs they were associated with, if any, were obtained and reviewed by the Committee.

The activities and views of the Committee have been communicated to the Board of Directors, quarterly, through verbal briefings, and by tabling the minutes of the Committee's meetings.



H A J De Silva Wijeyeratne
Chairperson of the Related Party Transactions Review Committee

25th May 2026

Project Risk Assessment Committee - JKH

Composition	➲ Should comprise a minimum of four (4) Directors. ➲ Must include the JKH Chairperson and JKH Deputy Chairperson/JKH Group Finance Director. ➲ Must include two Non-Executive Directors. ➲ The Chairperson of the Committee must be a Non-Executive Director.
Scope	➲ Review and assess risks associated with large-scale investments and the mitigatory plans thereto, if mitigation is possible, and identify risks that cannot be mitigated. ➲ Ensure stakeholder interests are aligned, as applicable, in making this investment decision. ➲ Where appropriate, obtain specialised expertise from external sources to evaluate risks, in consultation with the JKH Group Finance Director. ➲ Recommend to the Board, necessary action required, to mitigate risks that are identified in the course of evaluating a project in order to ensure that those risks are captured by the Group Risk Matrix for monitoring and mitigation. ➲ The Committee shall convene only when there is a need to transact in business as per the terms of its mandate.

Project Risk Assessment Committee Meeting Attendance

The committee met one (1) occasion during the year.

Members	Date of Appointment	Eligible to Attend	Attended
Dr. (Mr.) S S H Wijayasuriya - Chairperson	25/05/2018	1	1
Mr. D A Cabraal	01/10/2024	1	1
Mr. K N J Balendra	25/05/2018	1	1
Mr. J G A Cooray	25/05/2018	1	1

Report of the Project Risk Assessment Committee

The Project Risk Assessment Committee was established with the purpose of augmenting the Group's Investment Evaluation Framework. The Committee provides the Board with enhanced illumination of risk perspectives with respect to large scale new investments and also assists the Board in assessing the potential impact of risks associated with such investments. Investments which are referred to the Committee are those which exceed a board-agreed threshold in terms of quantum of investment and/or potential impact to the Group. The Committee, accordingly, provides early-stage recommendations to the Board with respect to the extent of risk and adequacy of mitigation strategies.

During the year under review, the Committee reviewed the proposed Vauxhall Street development project comprising ~750 apartment units in Colombo 2. The Committee evaluated the potential risks to the Group arising from the Project, including the financial risks arising from the proposed development under various scenarios.

The assessment of the Committee included stress-testing of key operating assumptions and consideration of de-risking strategies. The risks were also evaluated in the context of the project being developed on land presently owned by the Group as a part of its Land Bank. The Committee took cognisance of the fact that additionally, the project aligned well with the Group's broader objective of monetising the said land bank. The Committee also considered the emerging opportunities for apartment living in Colombo and the market dynamics, including insights and findings from independent market research. The Committee noted the competitive landscape and the value proposition of the proposed development. The Committee was satisfied with the risk parameters of the proposed development and approved the initiation of the next steps of the project and for subsequent submission for formal approval of the Board. The project has now been formally approved by the Board and launched in the market as Vauxhall DSTRICT by the Group.

Key Strategic Project Risk Assessments also included the two landmark investment projects - City of Dreams Sri Lanka and the West Container Terminal. Given the scale and impact of the risks and opportunities associated with the said projects and the commencement of operations in both projects, the Committee and Board were of the view that related deliberations should take place with participation of the full Board as regular Board agenda items.



Dr. S S H Wijayasuriya
Chairperson of the Project Risk Assessment Committee

25th May 2026

Role of the Chairperson of the Board

The Chairperson is a Non-Executive Non-Independent Director. The Chairperson conducts Board Meetings ensuring effective participation of all Directors. The Chairperson is responsible for providing leadership to the Board and ensuring that proper order and effective discharge of Board functions is carried out at all times by the Board Members.

Chairperson

The Chairperson of JKH, the Parent Company, serves as the Chairperson of the Company and is responsible for providing leadership to the CCS Group and for performance of the Board, engaging all Directors to actively contribute to matters set before the Board. He sets the tone for the governance and ethical framework of the CCS Group, facilitates and encourages the expression of diverse views and by keeping in touch with local and global industry developments, ensures that the Board is alert to its obligations to the Company's shareholders and other stakeholders.

With the assistance of the Board Secretaries, Keells Consultants (Private) Limited, he also ensures that:

- Board procedures are followed.
- Directors receive timely, accurate and clear information.
- Updates on matters arising between meetings.
- The agenda for the board meeting, reports and papers for discussion are dispatched at least one week in advance so that the directors are able to study the material and arrive at sound decisions.
- A proper record of all proceedings of Board meetings is maintained.

The Human Resources and Compensation Committee of the Parent Company appraises the performance of the Chairperson on an organisational and individual basis as approved by the JKH Board.

Group Executive Committee, Other Management Committees and ESG and Sustainability Steering Committee

The JKH Group Executive Committee and the other Management Committees met regularly as per a timetable communicated to the participants six months in advance. In the absence of a compelling reason, attendance at these Committee meetings is mandatory for the Committee members. All the Committees carried out specific tasks entrusted to each component, as expected.

Whilst the Chairperson and President are ultimately accountable for the Company/ Group and the industry groups/sectors/ business functions respectively, all decisions are taken on a committee structure as described below.

Group Executive Committee (GEC) JKH

As at 31 March 2026, the six-member GEC consisted of the Chairperson of the JKH Group, Deputy Chairperson/Group Finance Director of JKH Group and the Presidents of each business/function. The GEC is the overlay structure that implements, under the leadership and direction of the Chairperson, the strategies and policies determined by the Board, manages through delegation and empowerment, the business and affairs of the JKH Group, makes portfolio decisions and prioritises the allocation of all forms of capital.

A key responsibility of the members of the GEC is to act as enablers of the Group's operating model, ensuring that strategic objectives are effectively implemented across all business functions, including operations, finance, human resources, technology, and risk management. The GEC members bring a wealth of experience, diverse perspectives, and deep expertise, strengthening both operational efficiency and strategic decision-making.

In addition, the Board delegates executive decision-making on sustainability impacts and strategies to address operational, sustainability, and climate-related risks and opportunities to the GEC, which is supported by the ESG and Sustainability Steering Committee and further assisted by the Presidents and the Sustainability and ERM division in managing these matters.

The GEC meets twice a month, in addition to the meetings that are scheduled as necessitated by the requirements of the JKH Group.

Group Operating Committee (GOC) JKH

As at 31 March 2026, the nineteen-member GOC consisted of the Chairperson of the JKH Group, the Deputy Chairperson/Group Finance Director of the JKH Group, the Presidents and the Executive Vice Presidents in charge of sectors and the finance functions of the industry groups and Executive Vice Presidents who are functional heads of their respective Centre Functions. The GOC provided a forum to share learnings, and identify synergies, across industry groups, sectors, business units and functions.

The GOC meets once a month throughout the year and is instrumental in preserving a common group identity across diverse business units.

CORPORATE GOVERNANCE

Group Management Committee (GMC)

The GMCs of the Consumer Foods Industry Group and Supermarket Industry Group operate under the leadership of the respective Presidents and dedicated and focused towards implementing strategies and policies determined by the Board and designing, implementing and monitoring the best practices in their respective functions, strategic business units or even at departmental level where appropriate and material.

Key Objectives of the GMC

The underlying intention of the GMC is to encourage the respective business units to take responsibility and accountability to the lowest possible level, via suitably structured committees and teams in a management by objectives setting.

Scope of the GMC

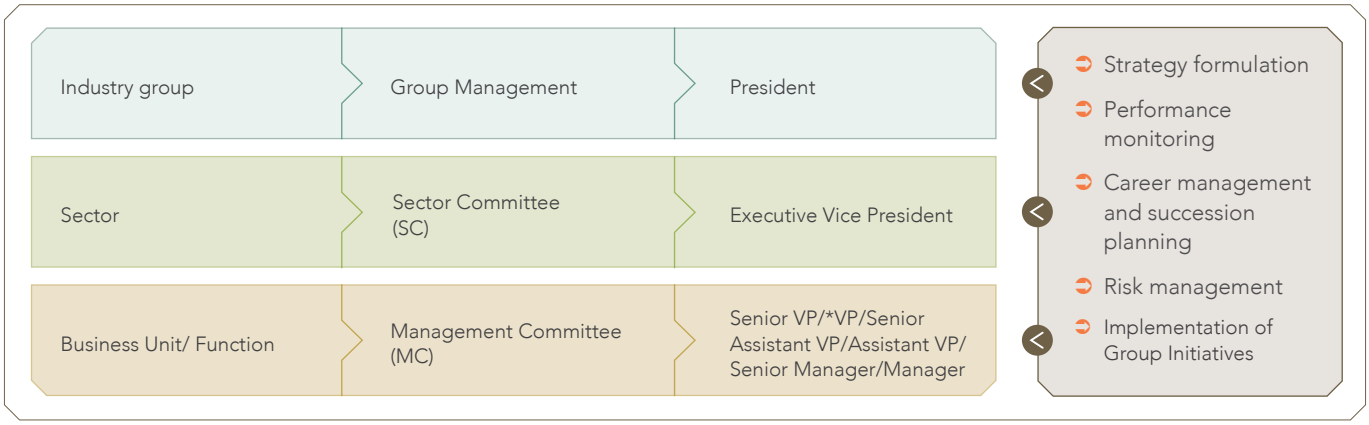
The agenda of the GMC is carefully structured to avoid duplication of effort and ensure that discussions and debate are complementary both in terms of a bottom-up and top-down flow of information and accountability. Responsibility and accountability of the effective functioning of the GMC is vested upon the President and the functional heads as applicable.

The GMC focus is aligned to headline financial and non-financial indicators, strategic priorities, risk management, implement the strategies and policies determined by the Board, the use of IT as a tool of competitive advantage, new business development, continuous process improvements, management of human resource and managing through delegation and empowerment, the business affairs of the respective sectors. Responsibility for monitoring and achieving plans as well as ensuring compliance with Group policies and guidelines rests with the Presidents and functional heads where applicable.

These Committees met regularly and carried out their tasks in keeping with their scope. The Management Committees proved to be key in enhancing employee engagement and empowerment

Illustrated below is the structure of the three Committees.

GMC Structure



**Note: Vice President (VP)*

Employee Empowerment

The CCS Group ensures that the necessary policies, processes and systems are in place to ensure effective recruitment, development and retention of this vital stakeholder. The bedrock of these policies is the Group's competency framework, which has been further refined and updated to reflect the current needs of the Group. To support these policies, the Group continued with, and further strengthened, the following practices.

- Top management and other senior staff are mandated to involve, as appropriate, all levels of staff in formulating goals, strategies and plans.
- Decision rights were defined for each level of employment in order to instil a sense of ownership, reduce bureaucracy and speed-up the decision-making process.
- A bottom-up approach was taken in the preparation of annual and long-term plans and the Group also ensured employee involvement in strategy, and thereby empowerment.
- Organisational and Committee structures are designed to enable, and facilitate, high accessibility of all employees to every level of management.
- Open, honest, frank and constructive communication is encouraged at all levels. The Group strongly believes that constructive disagreement is essential for optimal decision making.

The CCS Group prioritises a safe, secure and conducive environment for all its employees, allows freedom of association and collective bargaining, prohibits child labour, forced or compulsory labour and any discrimination based on gender, race, religion, gender identity, sexual orientation or any other difference, and promotes workplaces which are free from physical, verbal or sexual harassment.

INTEGRATED GOVERNANCE SYSTEMS AND PROCEDURES

Listed below are the main governance systems and procedures of the Group adopted by the Company and CCS Group. These systems and procedures strengthen the elements of the Internal Governance Structure and are benchmarked against industry best practice.

i. Strategy formulation and decision-making process

ii. Human resource governance

iii. Integrated risk management

iv. IT governance

v. Tax governance

vi. Stakeholder management and effective communications

vii. Sustainability governance

JKH Group's ethical business practices, adopted by the Company and the CCS Group;

Seeks to ensure that ethical business practices are the norm from the most senior to the most junior employee, stemming from, and including the Board of Directors. All Group companies have procedures and processes to enable the prevention and reduction of corruption and bribery. Each business unit is also expected to evaluate the risk of corruption as part of its risk management process and put in place mitigation measures to reduce such risks. Its transparent control and prevention mechanisms also extend this expectation to its value chain comprising of its customers, suppliers and business partners. The Group is required to analyse all its business units and functions and include the risk of corruption as part of its risk management process. The CCS Group has a zero-tolerance policy towards bribery and corruption.

i. Stringent checks during the recruitment process ensures that minimum age requirements are met.

ii. Ensures that all businesses are educated on the possible sources of forced and compulsory labour.

iii. Committed to upholding the universal human rights of all its stakeholders.

iv. Is an equal opportunity employer and has zero-tolerance for physical or verbal harassment based on gender identity, race, religion, nationality, age, social origin, disability, sexual orientation, political affiliations or opinion.

Strategy Formulation and Decision-Making Processes

The CCS Group has adopted the JKH Group Strategy Formulation and Decision-Making Processes.

Strategy Mapping

Strategy mapping exercises, concentrating on the short, medium and long term aspirations of each business, are conducted annually and reviewed, at a minimum, quarterly/half-yearly or as and when a situation so demands.

This exercise entails the following key aspects, among others.

- Progress and deviation report of the strategies formed.
- Customer insights and value proposition
- Competitor analysis and competitive positioning.
- Review of ESG considerations.
- Analysis of key risks and opportunities.
- Digitisation and IT strategy
- Management of stakeholders, such as, suppliers.
- Value enhancement through initiatives centred on the various forms of Capital under an integrated reporting framework.

The JKH Group's investment appraisal methodology and decision-making process ensures the involvement of all key stakeholders that are relevant to the evaluation of the decision.

In this manner:

- A broad range of views, opinions and advice are obtained prior to making an investment decision.
- A holistic view is taken on the commercial viability and potential of any project, including operational, financial, funding, legal, risk, sustainability and tax implications.
- Sensitivity and scenario analysis are conducted to understand the impacts from the macroeconomic environment, especially during periods of volatility and uncertainty.
- All investment decisions are consensual in nature, made through the afore-discussed management Committee structure where no single individual has unfettered decision making powers over investment decisions.
- The ultimate responsibility and accountability of the investment decision rests with the Chairperson.

The following section further elaborates on the Group's strategy formulation and planning process.



Medium Term Strategy

The ensuing section illustrates the comprehensive process followed by each business in developing its strategy for the medium-term.

Values and Promises

- Identification of the core values the business will operate with and the internal promises that the business will strive to deliver to stakeholders

Brand and Business Review

- Review of global and regional trends
- Identification of insights, risks, challenges, opportunities and implications, collated into key themes

Brand Plan

- Identifying key activities required to be undertaken under each theme and the articulation of the varied brand-led themes and activities
- Identification of KPIs to measure delivery of Promises

Long-Term Business Plan

- Setting of a long-term goal and agreeing on the core pillars that would deliver growth
- Long-term target setting, scheduling activities and identifying workstreams to execute long-term initiatives
- Identifying operating and capital expenditure along with capability resources

Annual Business Plans

- Articulation and approval of detailed project plans for execution of workstreams
- Approval of Annual Business Plans

Performance Measurement

Measure of performance against:

- Promises
- Annual plans and projects
- Long-term initiatives
- Financial objectives

Project Approval Process

Projects undertaken at the Group entail a detailed feasibility report covering key business considerations under multiple scenarios, within a framework of sustainability. The feasibility stage is not restricted to a financial feasibility and encompasses a wider scope of work covering risk management, sustainable development, ESG and HR considerations.

Based on the decision rights matrix, subsequent to review by the relevant leadership committee of the feasibility report and post in principle approval, a multi-disciplined project team will proceed to the next phase of the project evaluation which will focus on detailed operational, commercial, financial and legal due diligence, including a deep dive into ESG impacts and risks. Discussions will also commence with regulatory and licensing authorities, financial institutions and possible partners, worker representatives, as relevant and deemed necessary.

- Where the transaction involves the transfer or lease of land, title searches would be conducted for both private and State land. In case of State land, every action would be taken to ensure compliance with the relevant rules and regulations as well as obtaining written authority and approvals, as appropriate.
- Any project which involves bidding on contracts and tenders, including to those of local and foreign Government and related bodies, is executed in conformance with the Group's policy on bidding on contracts and tenders. It is noted that, while the Company currently does not have any contracts with any local and foreign Governments, the Company will disclose the same in its financial statements, in such an event.
- Where the project is a part of a privatisation, the entire process will be conducted in line with the directives of the relevant administrative authority as communicated through expressions of interests, request for proposals, pre-bid meetings, official approvals and correspondence.

Subsequent to the project satisfying the above highlighted criteria, the final approval to proceed will be granted by the Board. Based on thresholds of the investment quantum, the JKH Project Risk Assessment Committee, on behalf of the Board, will review and assess risks associated with such investments and the mitigatory plans thereto, if mitigation is possible, and identify risks that cannot be mitigated. The aim of this intervention is to ensure alignment with the interest of various stakeholders and to recommend to the Board, necessary action required, to mitigate risks that are identified in early stages during the course of evaluating a project in order to ensure that those risks are captured by the Group Risk Matrix for monitoring and mitigation. When appropriate, the GEC is empowered to approve such proposals in terms of the delegated decision rights with the Board being kept informed.

The aforementioned Project Appraisal Framework Flow is illustrated below:



Human Resource Governance

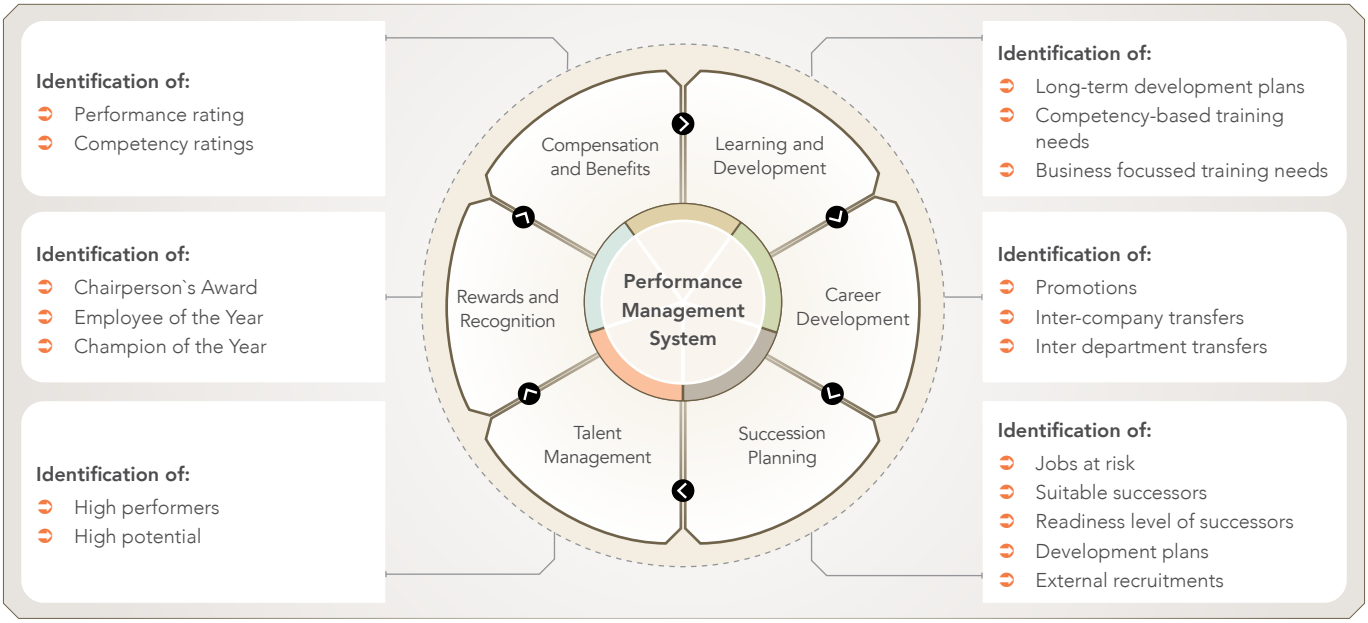
The Company and CCS Group abide by the JKH human resource governance framework, which is designed in a manner that enables high accessibility by any employee to every level of management. Constant dialogue and facilitation is also maintained, ranging from work related issues to matters pertaining to general interest that could affect employees and their families. The Company and CCS Group follows an open-door policy for its employees which is promoted at all levels of the Group.

The state-of-the-art cloud based human resource information system (HRIS) manages the entire lifecycle of the employee from onboarding to performance management, succession planning, compensation, learning and development, through to offboarding.

Performance Management

The Performance Management System, as illustrated below, is at the heart of many supporting human resource management processes such as learning and development, competency mapping, career development, succession planning, talent management, rewards/ recognition and compensation/benefits.

Performance Management System



Whilst the employees are appraised for their performance, equal emphasis is placed on how well they embody CCS Group Values, namely: Caring, Trust, Integrity, Excellence and Innovation.

Key Initiatives during the year:

- The Temporary Crisis Allowance, which was originally introduced to support employees amid challenging macroeconomic conditions in January 2023, was consolidated into the basic salary as part of the annual increment cycle.
- As a response to the devastating impacts of cyclone Ditwah in December 2025, employees were given the option to voluntarily donate one day's wages toward flood relief, channelled through the Chamber of Commerce of Sri Lanka. Additionally, the Group Executive Committee approved a special relief framework to support employees impacted by Cyclone Ditwah.
- The Group offers all employees 100 days of parental leave, underscoring its commitment to employee wellbeing, work-life balance, gender equity, and shared parenting responsibilities.
- The JKH Group partnered with a multinational analytics and advisory company to conduct its annual employee engagement survey, adopting a more performance and productivity focused engagement model. Using the globally benchmarked Q12 framework, the survey generated data-driven insights into employee experience and key areas for development in support of a high-performance, inclusive workplace culture. The methodology empowers managers to take ownership of outcomes through targeted action planning, supported by benchmarking and analytics that drive continuous improvement and strengthen organisational performance. The leadership team of the Group, comprising of the GEC, GOC and heads of HR participated in a workshop to develop the teams ability to guide and empower their teams to develop and implement action plans and on key tactics to understand and engage more effectively with the relevant teams.
- The Group embarked on a project to develop, articulate and institutionalise the Group Employer Value Proposition (EVP). A series of programs and initiatives have been identified for implementation to support the EVP, with the support of a globally recognised consulting firm. The process was anchored in listening to employee voices through a Group-wide survey and focus group discussions, complemented by leadership consultations with the Group Operating Committee and the Human Resources Group Management Committee (HRGMC). Phase 1 included the development of a clear EVP statement and supporting pillars, articulating the value the Group offers its employees in return for the knowledge, skills and capabilities they bring to the organisation. Phase 2 scheduled for rollout in FY2026/27, will focus on taking the EVP to market and embedding it across the organisation.
- In collaboration with a global consulting company, the Group embarked on a project to review the Group's total rewards philosophy.
- The Group introduced financial well-being programmes led by internal and external experts, offering practical guidance on financial discipline and decision-making. Individual business units also implemented tailored well-being initiatives suited to their specific operational contexts.
- The Group reviewed and renewed its employee Code of Conduct to broaden its reach and content and to ensure relevance with current workplace trends and culture.

Performance Based Compensation Philosophy

The JKH Group Compensation Policy which has been adopted by the CCS Group is as follows:

Performance Management

'Pay for performance'

Greater prominence is given to the incentive component of the total target compensation.

Satisfaction

'More than just a workplace'

Continuously focuses on creating a sound work environment covering all aspects of employee satisfaction.

Compensation Policy

- Compensation comprises fixed (base) payments, short-term incentives, and long-term incentives.
- Higher the authority levels within the Group, higher the incentive component as a percentage of total pay.
- Greater the decision influencing capability of a role, higher the weight given to organisational performance as opposed to individual performance.
- Long-term incentives are in the form of Employee Share Options and cash payments.

Internal Equity

- Remuneration policy is built upon the premise of ensuring equal pay for equal roles.
- Manager and above level roles are banded using the Mercer methodology for job evaluation, on the basis of the relative worth of jobs.

External Equity

- Fixed compensation is set at competitive levels using the median, 65th percentile and 75th percentile of the best comparator set of companies (from Sri Lanka and the Region, as relevant) as a guide.
- Regular surveys are done to ensure that employees are not under/over compensated.

Equity Sharing

The Company does not offer its shares under an ESOP Scheme. The ESOP Scheme made available to the Senior Executives of the Company is from the Parent Company, JKH, at defined career levels based on pre-determined criteria which are uniformly applied across the eligible levels and performance levels. These long-term incentives have been significantly instrumental in inculcating a deep sense of ownership in the recipients and is seen to be a key driver of performance-driven rewards. Share options are awarded to individuals on the basis of their immediate performance and potential importance of their contribution to the Group's future plans.

JKH Group issues share options not exceeding a specified percentage of the total issued shares of the Company as at the date of awarding every such option, which is subject to in-principle approval of the CSE and shareholder approval, by way of a Special Resolution at a General meeting.

Integrated Risk Management

CCS's Group-wide risk management programme focuses on wider sustainability development, to identify, evaluate and manage significant Group risks and to stress test various risk scenarios, including a review of materiality. The programme ensures that a multitude of risks, arising as a result of the CCS Group's diverse operations, are effectively managed in creating and preserving stakeholder wealth. The CCS Group manages its enterprise risk, and incident management processes through an automated risk management platform that enables the maintenance of live, dynamic and virtual risk registers which are linked to business goals and responsible personnel. Features such as the provision of timely alerts on action plans and escalation processes for risks, where action plans are over-due, ensure maintenance of live risk grids.

Continuous steps taken towards promoting the Group's integrated risk management process are:

- Integrating and aligning activities and processes related to planning, policies/procedures, culture, competency, internal audit, financial management, monitoring and reporting with risk management.
- Supporting executives/managers in moving the organisation forward in a cohesive integrated and aligned manner to improve performance, while operating effectively, efficiently, ethically and legally within the established limits for risk taking. The risk management programmes have allowed greater visibility and understanding of risk appetites. Enabled by the automated risk management platform, key management personnel have virtual visibility of the risks, as relevant, while the Board has visibility of all CCS Group risks.
- Update of the Enterprise Risk Management (ERM) platform to improve performance and include the latest features.

The Board, GEC and Group Management Committees oversee risk management across the Group to ensure that risks are brought within tolerance, managed and/or mitigated.

Please refer the Enterprise Risk Management section of the Annual Report for more details

Risk Management Process

The Group's ERM process is designed to ensure businesses are proactively identifying, assessing, and mitigating risk events. The risk management framework ensures consistency in methodology across diverse businesses and functions and follows both a top-down and bottom-up integrated approach, alongside strategic planning and decision-making. The annual cycle involves business-level risk identification and review on a quarterly basis, which is consolidated upwards at sector and industry group management committees, while Group risks are reviewed on a biannual basis by the Group Executive Committee. Risk appetite thresholds are set at a Group level and captured in the annual Group Risk Report, which also details Group-wide risk ratings, risk profile and analysis and is presented to the CCS Group Audit Committee where the salient aspects of this is reviewed by the Board, thereby concluding the annual risk management process. Policy level changes emerging from the discussion at the CCS Group Audit Committee are then incorporated in the following cycle to ensure alignment with the changing risk environment.

Risk Management System

The Group ERM review process is facilitated through an online Enterprise Risk Management System. The system is firmly embedded across the CCS Group, hosted internally, and controlled access is provided to all employees as relevant. The system was upgraded during the financial year to include additional features, increase user friendliness and improve overall performance.

Quarterly risk reviews are carried out via the system, with all business unit risk registers hosted online. Its functionality allows for a dynamic risk management environment, enabling analysis of ratings and movement of risks over time, access to historical data and risk reporting. The system also aggregates and records risk under the Group's ERM framework and provides an integrated approach to risk and risk mitigation across Group businesses.

Steps were taken to assist identification and categorisation of sustainability and climate related risks in the risk platform.

Key Impacts, Risks and Opportunities

The Group takes a holistic approach to risk management, covering risks that are both financial and non-financial in nature, including its own operations as well as risks that may emanate from its supply chain partners. The Precautionary Principle influences the Group's approach to risk management of environmental impacts while, management of human and social capital risks is also highlighted and prioritised.

The ERM framework operates in concurrence with the Group's corporate governance structure and is linked to sustainability, corporate social responsibility and internal audit functions and processes, ensuring that regulatory compliance, ethical guidelines and sustainability concerns are integrated seamlessly across businesses when identifying risks and opportunities.

Risk Management Framework

- Financial, strategic, operational, information technology, governance and sustainability-related risks are considered.
- All risks are categorised within a common Risk Universe.
- Headline and Related Risk classification of all Group risks to allow consistency across Group businesses.
- 5x5 risk matrix for rating of risks with respect to likelihood and anticipated impact.
- Risk owners assigned to ensure accountability and sustained focus on mitigation activities

Refer the Enterprise Risk Management section (pages 172 to 182) and Notes to the Financial Statements (pages 288 to 295) for further details.

During the year, the Group commenced the implementation of SLFRS S1 and SLFRS S2 sustainability reporting standards, with the support of an international external consultancy firm. As part of this process, a comprehensive, life cycle-based value chain assessment was conducted across the Group to identify key dependencies, impacts, and sustainability and climate-related risks and opportunities.

Based on this assessment, the Group identified and prioritised its Sustainability-related Risks and Opportunities (SRROs) and Climate-related Risks and Opportunities (CRROs). Given this being the first year of adoption, these were assessed qualitatively, incorporating financial impact parameters and judgement-based financial materiality considerations.

The governance and management of SRROs and CRROs are aligned to the four pillars of Governance, Strategy, Risk Management, and Metrics and Targets. Further details on the Group's prioritised SRROs and CRROs, together with the related governance structures and mitigation strategies, are presented in the SLFRS S1 and S2 Disclosure section of this Report.

During the forthcoming year, the Group intends to quantitatively assess the financial materiality of SRROs and CRROs and integrate them into the ERM framework, based on impact and likelihood. In parallel, the ERM policy will be updated to incorporate relevant thresholds, and the Group's risk appetite and tolerance statements will be reviewed to ensure alignment.

Mitigation actions and opportunity realisation plans will be embedded within the existing ERM Risk Register, taking into account short, medium, and long term horizons. Risk ownership will be assigned to ensure accountability, and SRROs and CRROs will be integrated into the existing risk governance structure.

This integration enables risk identification at business unit level, aggregation at sector and Group levels, and oversight through established governance forums. The Group Business Process Review (GBPR) function will provide independent assurance on the implementation of mitigation actions, while the Sustainability and ERM Division will consolidate and report the Group's overall risk profile to the relevant management and Board committees.

This approach positions the Group's ERM framework within a double materiality perspective, incorporating both financial risks and risks arising from environmental and social impacts and dependencies.

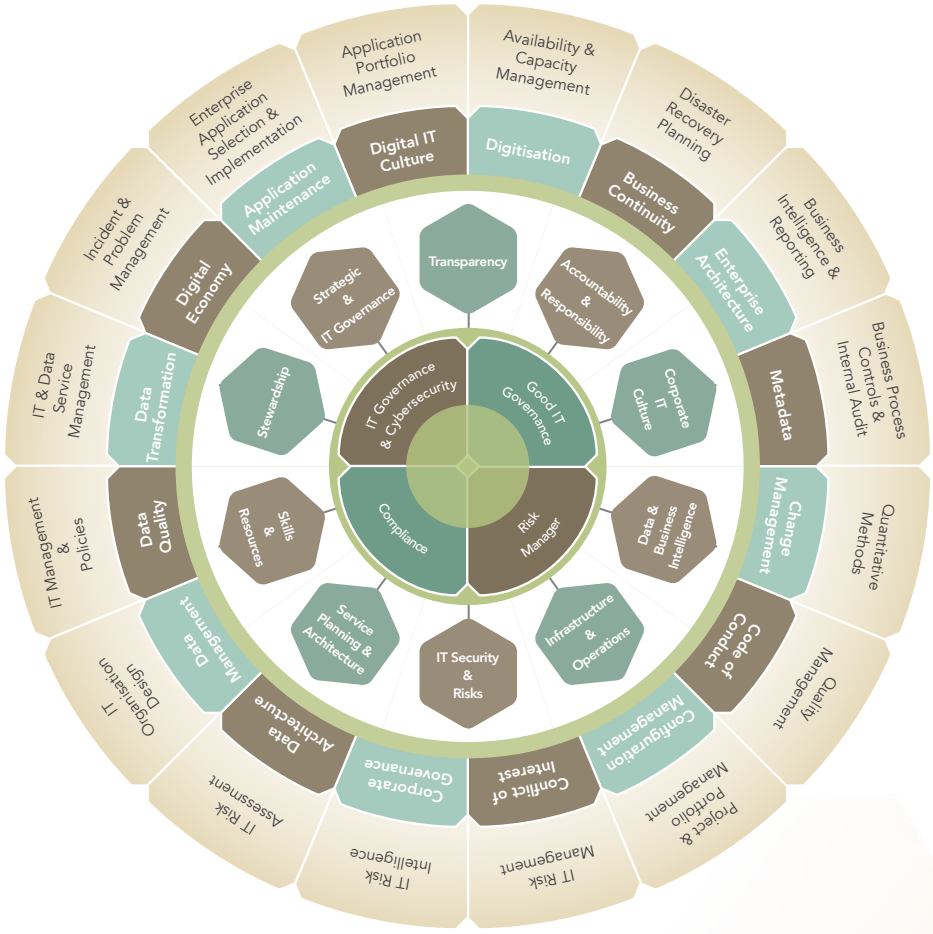
Information Technology (IT) Governance

IT governance stewardship roles are governed through layered and nested committees, cascading from the Board, GEC, GOC, the Group IT Steering Committee and to the Group IT Operations Committee with well-defined roles and responsibilities across the Group with a federated governance structure to cater to the holistic Group-level as well as specific industry level nuances. This ensures empowerment and enablement to act with a singular and more robust governance and policy framework across the Group, whilst being agile and nimble.

The Group's IT governance framework focuses on five broader segments, namely, strategic alignment, value delivery, performance management, risk management, and resource management.

Additionally, the IT governance framework used within the Group leverages on best practice and industry leading models such as CoBIT (Control Objectives for Information and Related Technology), ISO 35800, ISO27001, ISO 9001:2015, COSO (Committee of Sponsoring Organisations of the Treadway Commission)/BCP (Business Continuity Planning), ITIL (Information Technology Infrastructure Library), CMMI (Capability Maturity Model Integration), NIST (National Institute of Standards and Technology), FAIR (Factor Analysis of Information Risk), Zero Trust Framework, among others, in formulating a state-of-the-art framework for IT governance, risk and compliance management across the CCS Group.

The key focus areas of the **IT Governance Framework** are as follows:



CORPORATE GOVERNANCE

The CCS Group continually focuses on enhancing the IT governance framework in line with its business and IT strategies with a focused shift towards a zero-trust model built on a mobile-first, internet-first, cloud-first and artificial intelligence (AI)-first strategy.

Privacy, data and cybersecurity have emerged as material topics for the JKH Group, driven by the increasing reliance on digital platforms, data-enabled processes, cloud services and interconnected technologies across its operations. While these capabilities play a critical role in enhancing customer experience, operational efficiency and decision-making, they also heighten exposure to cyber threats, data breaches, regulatory risk and potential reputational impact. Accordingly, the CCS Group has adopted a structured, risk-based and policy-led approach to managing privacy, data and cybersecurity, supported by Group-wide governance frameworks, IT policies and risk management practices. The CCS Group's IT governance framework is implemented as a baseline standard across all businesses and is aligned with the data security requirements of the Sustainability Accounting Standards Board (SASB) and Professional and Commercial Services Standard.

Key Initiatives during the year

Transition to SAP RISE:

- Following from the previous year, the Group advanced several strategic initiatives to strengthen governance, modernise core systems, and enhance enterprise-wide controls. A key milestone was the successful transition to SAP RISE in partnership with an international consulting firm. The transition was executed in a phased manner within the Group, establishing a standardised, cloud-enabled platform that significantly improved integration, data consistency, and operational resilience.
- The enhanced data architecture enables real-time visibility of performance, supporting faster and more informed decision-making at both management and Board level, while advanced analytics and dashboards strengthen performance management and responsiveness. The platform further streamlines processes, reduces manual intervention, and enhances accuracy, control, and auditability, with improved scalability and security derived from the cloud environment.
- In parallel, the adoption of SAP Signavio will strengthen process intelligence and continuous improvement, enabling data-driven monitoring and optimisation of end-to-end processes in line with best practice and international benchmarks. This enhances standardisation, transparency, and governance, supporting improved efficiency and alignment with business objectives across the CCS Group. The new platform addresses ~30% of the improvements and productivity enhancements which were identified through use cases prior to the migration to SAP RISE. The CCS Group has a 'road map' of use cases and initiatives to ensure optimisation of the system through use of dashboards for reporting and monitoring of performance on a real-time basis which analytics and planning, including cash and treasury management, once implemented, will enhance the decision-making capability of the businesses.

Zero Trust Security Model:

- The Group strengthened its adoption of the Zero Trust Security Model, enhancing controls across identity, devices, networks, applications, and data.
- Key improvements during the year included enhanced identity-based access controls, strengthened network security, and the transition to a Secure Service Edge (SSE) architecture, enabling more effective threat detection, monitoring, and policy enforcement.
- These enhancements support secure, location-agnostic access to systems and data, while reducing reliance on traditional perimeter-based security models. A structured implementation approach, supported by cross-sector validation through User Acceptance Testing (UAT) teams, ensured consistent adoption across the Group, while the incorporation of audit recommendations further strengthened the control environment and overall cyber resilience. The overall threat posture of the CCS Group declined during the year, supported by improved responsiveness in addressing and resolving alerts.

Tax Governance

CCS Group's tax governance framework is designed to ensure responsible tax practices and is aligned with the JKH Group's broader ESG commitments focusing on compliance, transparency and stakeholder engagement. It ensures that tax decisions contribute to sustainable business practices, respect societal norms and are aligned with ethical corporate behaviour.

Key components of the framework are:

- Keeping abreast with local and international tax laws and regulations to avoid non-compliance and reputational damage.
- Transparency in tax disclosures to stakeholders, ensuring clarity on tax strategies and practices.
- Accountability to stakeholders, ensuring that tax obligations are met in a socially responsible manner, balancing shareholder interests with societal responsibilities.

Governance Structure

- The Group's Tax Governance Structure is overseen by the JKH Deputy Chairperson/JKH Group Finance Director who provides oversight to ensure that the tax strategies align with the Group's overall ESG objectives.
- Voluntary compliance, transparency and efficient tax management are key aspects of the Group's overall tax strategy.
- This is enabled through a decentralised tax structure where expertise is built at each industry group level to oversee tax compliance and execute the tax strategy, ensuring compliance with existing laws and changes to legislation, and managing tax risks for the Group.
- The Head of Tax of each industry group, reporting functionally to the Group Head of Tax, ensures uniformity of interpretation, robust compliance management and roll-out of Group tax strategy across all businesses.
- The Group Head of Tax Strategy provides periodic updates to the GOC and senior finance teams on significant tax matters, including risk exposures, compliance outcomes, and strategic tax positions, at the scheduled monthly meetings, ensuring executive-level accountability.

Policy and Strategy

- Ensures the following, taking into account the Group's business models, supply and value chains, structure, assets, investments and financing:
  - Integrity of all reported tax disclosures.
  - Robust controls and processes to manage tax risk.
  - Openness, honesty, and transparency in all dealings.
  - Presence of legitimate business transactions underpinning any tax planning or structuring decision/opportunity.
- Contribute to fiscal policy formulations constructively in the interest of all stakeholders.

Role

- Implement and maintain strong tax compliance and review processes for current and potential business operations and transactions.
- Analyse and disseminate business impact from changes in tax legislation.
- Provide clear, timely, and relevant business focused advice across all aspects of tax.
- Ensure availability of strong and well documented technical support for all tax positions.
- Obtain independent/external opinions where the law is unclear or subject to interpretation.
- Foster healthy professional relationships with all regulatory authorities

Review and Monitoring

- Leverage on digital platforms to support, record and report on tax compliance status across the Group.
- Continuous dialogue and scheduled meetings of the Group Tax team to ensure uniformity of tax interpretation and application.
- Monitored through internal controls including compliance reporting measures and, external audit reviews.
- Discussion and signoff by the Board of Directors on any significant tax positions with supporting legal rationale.
- Periodic updates to the JKH Board of Directors on Group Tax positions (Quarterly at minimum).
- Compliance with the tax governance framework is evaluated annually through internal and external audit reviews and periodic independent assessments, with findings and remediation plans reported to the respective Audit Committees/Group Audit Committee.

The Group's Tax Governance Framework integrates compliance, transparency, and social responsibility, aligned with ESG reporting obligations. By adhering to this framework, the CCS Group ensures that its tax practices are both legally compliant and ethically responsible, supporting sustainable growth while creating value for all stakeholders.

The presence of a well structure tax governance framework ensures the following:

- Ability to manage tax exposures efficiently by reducing the tax burden on the CCS Group, within the ambit of applicable laws.
- Manage tax risks and implications on the CCS Group reputation through adequate policies and proactive communication defence.
- Facilitate healthy relationships amongst stakeholders, Government and tax authorities.
- Ensuing integrity of reported numbers and timely compliance.

Stakeholder Management and Effective Communication

Stakeholders play a crucial role in the Group, contributing labour, capital, and market demand. The CCS Group is committed to transparently communicating its ambitions to its diverse stakeholder groups and actively seeks their input to refine its initiatives. With well-defined objectives aligned with its sustainability and business goals and targets, the CCS Group prioritises the achievement of these commitments across the short, medium, and long term.

Recognising the broad impact of its operations, the Group actively engages with a wide range of stakeholders across different industries, communities, and regions.

Internally, the CCS Group's stakeholders consist of its business units and employees. Externally, it engages with shareholders, investors, lenders, customers, suppliers, business partners, government bodies, regulators, industry peers, advocacy groups, media, and the wider community. Through ongoing dialogue and collaboration, the CCS Group strives to integrate diverse perspectives into its sustainability efforts.

Following are the key stakeholder management methodologies adopted by the CCS Group. Whilst the CCS Group has multiple channels enabling effective communication, there were no material concerns that were raised during the year by stakeholders regarding the operations of the CCS Group.

Key Stakeholder Management Methodologies



Communication with Shareholders

CCS Group maintains several communication channels with the shareholders which include the Annual Report, interim financial statements, investor presentations, AGMs, EGMs, announcements to the CSE, press releases, the corporate website, shareholder surveys on a need basis, the investor feedback form provided in the Annual Report, and through the Company Secretaries.

Engagement Mechanism	Frequency
Annual Reports and AGMs	Annually
Extraordinary General Meetings	As required
Interim financial statements	Quarterly
Investor relations webinar	Quarterly
Investor presentations	As required, quarterly at a minimum
Transcript of the investor relations webinar	Quarterly
Press releases	As required
Announcements to CSE	As required
One-to-one discussions	As required
Investors' section in the Corporate website	Continuous
Feedback surveys	As required

Investor Relations

The Investor Relations team of the JKH Group is responsible for maintaining an active dialogue with shareholders, potential investors, investment banks, analysts and other interested parties in ensuring effective investor communication.

Bronze award for
Best Investor Relations
at the Capital Market Awards
2025 of CFA Society Sri Lanka.

- The Investor Relations team has regular discussions with shareholders, as and when applicable, as well as analysts and stockbroking firms to disseminate highlights of the JKH Group's performance as well as to obtain constructive feedback.
- The online quarterly investor forums provide JKH stakeholders the opportunity to directly engage with the Group's Chairperson and the JKH Deputy Chairperson/ JKH Group Finance Director. The recording and the transcript of the investor forum is made available on the corporate website for reference of all stakeholders/ shareholders.
- Quarterly Investor Presentations, which include an update on the latest financial results, are made available on the corporate website, to provide easier access and in-depth detail of the operational performance of the JKH Group.
- Annual investor presentations, detailing an overview of the Group and industry group's financial and non-financial performance indicators, are made available on the corporate website, to provide easier access and an in-depth insight to the overall Group.
- Shareholders may, at any time, direct questions, request publicly available information and provide comments and suggestions to Directors or management of the Group by contacting the Investor Relations team, Secretaries, or the Chairperson. Individual shareholders are encouraged to carry out adequate analysis or seek independent advice on their investing, holding or divesting decisions at all times.

Release of Information to the Public and CSE

The Board of Directors, in conjunction with the Audit Committee, where applicable, is responsible in ensuring the accuracy and timeliness of published information and in presenting a true and fair view, and balanced assessment of results in the quarterly and annual financial statements. Accordingly, CCS has reported a true and fair view of its financial position and performance for the year ended 31 March 2026 and at the end of each quarter of the financial year 2025/26.

All other material and price sensitive information about the Company is promptly communicated to the CSE, and, where appropriate, to employees, shareholders and the press. Shareholders and investors are encouraged to engage with the Company by directing questions, request publicly available information or provide feedback relevant to Directors or Management of CCS, which may be addressed to the Company Secretary.

The CCS Group is committed to open, transparent, and fair communication, with a strong focus on integrity, timeliness, and relevance of information. All disclosures are carefully managed to ensure accuracy, clarity, and consistency, and to prevent the creation or continuation of a false or misleading market.

Annual General Meeting (AGM)

Information is provided to the shareholders prior to the AGM to give them an opportunity to exercise the prerogative to raise any issues relating to the businesses of the CCS Group. Annual Reports are made available to shareholders in electronic form. Shareholders may also elect to receive an Annual Report from CCS in printed form, which is provided free of charge.

The CCS Group maintains records of all resolutions and applicable information upon a resolution being considered at any General meeting and provides copies upon request to the CSE and/or the SEC and communicates the outcomes of these meetings via an announcement to the CSE.

The AGM is also used constructively to engage with shareholders, with the following practices observed:

- Notice of the AGM and related documents are made available to the shareholders along with the Annual Report within the specified time period.
- Summary of procedures governing voting at the AGM are clearly communicated.
- The Board ensures that the external auditors are present at the AGM.
- Most Executive and Non-Executive Directors are available to answer queries.
- The Chairperson ensures that the relevant senior managers are also available at the AGM to answer specific queries.
- Separate resolutions are proposed for each item that is required to be voted on.
- Proxy votes, those for, against, and withheld (abstained) are counted.

The AGM for the year ended 24/25 was held virtually, complying with the guidelines issued by the CSE.

Serious Loss of Capital

In the unlikely event that the net assets of a company fall below half of its stated capital, shareholders will be notified, and the requisite resolutions will be passed on the proposed way forward.

Extraordinary General Meetings, including Shareholder Approval through Special Resolution

The Company seeks shareholder approval, either via special or ordinary resolutions at an Extraordinary General Meeting (EGM), for transactions and events that are material to the CCS Group and Company, in accordance with applicable laws and the Articles of Association.

Sustainability Governance

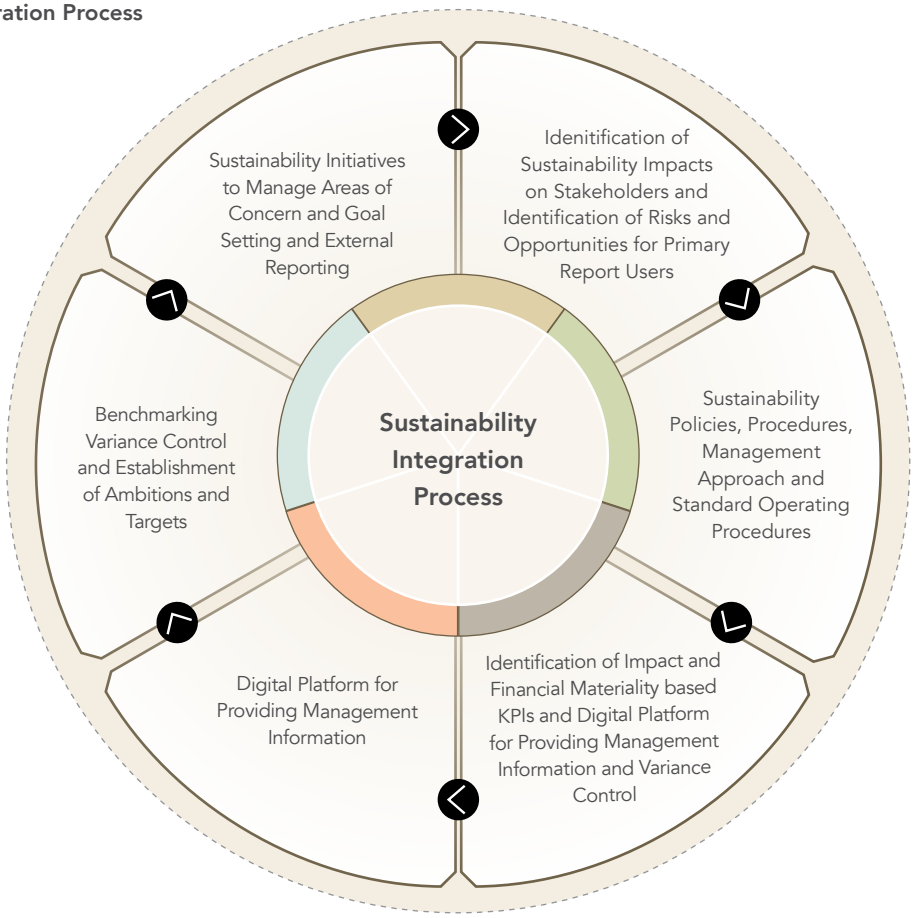
The CCS Group remains committed to responsible business practices and the integration of environmental, social and governance (ESG) considerations into its operations. Sustainability is a strategic priority and is integrated within the business operations through the Group's overarching Sustainability Management Framework (SMF).

The Group's SMF involves annual internal materiality assessment which are from the reporting year carried out on a double materiality basis, independent stakeholder engagements that occur approximately biennially. The outcomes of these engagements enable the group to identify its impact and financial materiality topics. The Group's SMF requires the review and development of policies, procedures and standard operating procedures to manage the material topics, as well as the integration of financial material topics within the Group's Enterprise Risk Management (ERM) process. Key Performance Indicators are then established to track and monitor the performance of the material topics which are based on the GRI Standards to capture impact materiality-based performance, and the Sustainability Accounting Standard Board (SASB) Standards and scenario analysis to capture financial materiality-based implications on the Group's financial statements.

The CCS Group has implemented a sustainability performance management system which enables the collection of data at business unit level, which is then consolidated and presented to the GEC, the GMCs and the GOC on a quarterly basis for performance review and course corrective action.

As part of the SMF, the Group is currently in the process of establishing Working Groups to focus on Group level ambitions and targets for selected material topics. Sustainability Initiatives are then identified based on the Group's current performance and the desired performance, thereby ensuring that the Sustainability Initiatives identified have a return on investment from a sustainability perspective. The SMF concludes its annual cycle with external and internal assurance, and the development of a communication of a progress report in line with the GRI Standards, SLFRS Standards and the UNGC principles.

Sustainability Integration Process



The Group's sustainability integration processes and management framework operate alongside key functions such as human resources, health and safety, product responsibility, risk management, internal audit, legal and regulatory compliance, and corporate social responsibility. The framework is regularly updated to reflect evolving global sustainability requirements.

JKH Group's efforts toward ESG initiatives during the year

Pursuant to the adoption of SLFRS S1 and SLFRS S2 - the sustainability-related financial and climate-related disclosure standards issued by CA Sri Lanka - the Group undertook a structured implementation programme during the year under review to prepare for compliance with the Colombo Stock Exchange (CSE) reporting requirements, effective 1 January 2025. This process commenced with the engagement of an international consulting firm to conduct a comprehensive, Group-wide gap analysis. Based on the findings of this assessment, the Group implemented the requisite frameworks, processes, and governance structures to support the enhanced disclosure requirements.

During the year, a series of workshops and working sessions for senior leadership and their teams were conducted with the consultants, to build internal capability and deepen understanding of the standards and their implications for the Group's reporting and governance processes. These sessions were attended by key stakeholders, including the JKH Group Deputy Chairperson/JKH Group Finance Director, members of the Group Executive Committee, and representatives from the Sustainability, Risk, Corporate Finance, and Finance teams, reflecting their roles in the implementation and ongoing oversight of sustainability-related disclosures.

To strengthen governance and strategic oversight, the Group established a ESG and Sustainability Steering Committee, which is responsible for overseeing sustainability-related impacts, risks, and opportunities, including Sustainability-Related Risks and Opportunities (SRROs) and Climate-Related Risks and Opportunities (CRROs). The material SRROs and CRROs from a Group perspective were evaluated and presented to the GEC for CCS subsequent approval and clearance by the CCS Board as well. The Committee serves as the primary governance forum guiding the Group's sustainability agenda and ensuring alignment with the requirements of SLFRS S1 and SLFRS S2 as the Group progresses towards full implementation.

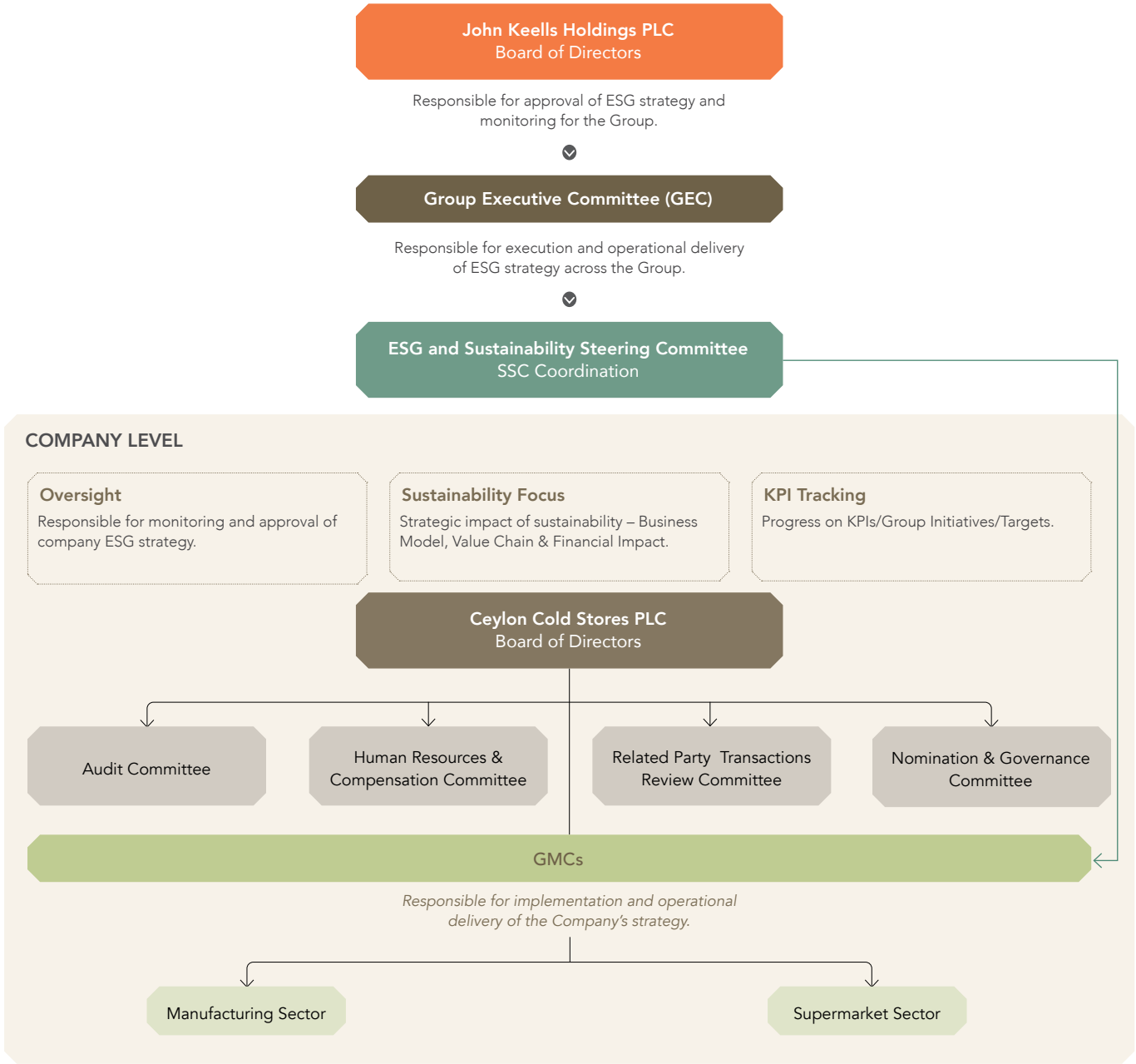
CORPORATE GOVERNANCE

The CCS Board holds ultimate responsibility for overseeing of the Group's sustainability impacts on the economy, environment and people, sustainability and climate related risks and opportunities (SRROs/CRROs) that could reasonably be expected to affect the Group's financial position, performance and resilience over the short, medium and long term.

Board oversight is supported by the Group Executive Committee (GEC), the ESG and Sustainability Steering Committee and industry group level Group Management Committees (GMCs), described below. This governance architecture reflects the emphasis of SLFRS S1/S2 on clear processes, controls and procedures for monitoring and managing sustainability and climate-related matters, while the same simultaneously supporting the management of the Group's sustainability impacts on the economy, environment and society in alignment with the governance disclosures of the GRI Standards.

As the Group develops its sustainability ambitions, including climate ambitions and a transition pathway, governance remains focused on ensuring robust oversight, data integrity and decision-readiness, to support future target-setting and effective integration of sustainability and climate considerations into strategy and capital allocation decisions.

ESG and Sustainability Governance Structure



Governance, Roles, Mandates, Procedures

Responsibilities for the oversight of the SRROs/CRROs, as well as broader sustainability impact, are embedded within Group's governance framework and formalised through the Board Charter, GEC and the Terms and References of the ESG and JKH Sustainability Steering Committee, together with the relevant policy documents.

These responsibilities extend to the governance and management of material sustainability impacts identified through the Group's double materiality assessment, with impact materiality considered as the starting point for identifying related risks and opportunities.

Aligned with the Group's corporate governance framework, the Board has delegated primary responsibility for the implementation and management of the Group's impacts and CRROs/SRROs to the GEC (which includes Executive Directors of the Group).

Such delegated responsibilities seek to ensure the effective execution and monitoring at management level while ensuring that the Board retains clear oversight of the Group's impact on the environment, society and economy as well as the Sustainability and Climate related risks and opportunities arising from the Group's activities. This governance framework supports the alignment with both the Global Reporting Initiative's (GRI) impact materiality focusing on broad range of stakeholder groups, and the SLFRS S1 and SLFRS S2 requirements on financial materiality focusing on investors and primary users of financial reports.

The governance pathway for the above-mentioned impacts, sustainability and climate-related matters is designed to ensure clear accountability, robust oversight and timely escalation to decision making bodies.

The ESG and Sustainability Steering Committee consolidates cross-functional inputs, monitors sustainability impacts, risks and performance and support the development of recommendations on material impact topics and sustainability and climate-related matters. These matters are assessed using a double materiality lens, considering both the significance of the Group's impacts on the external economy, environment and society, and the financial risks and opportunities arising from those impacts and from key value chain dependencies.

The GEC serves as the principal decision-making body for sustainability impacts and broader sustainability and climate-related risks and opportunities. The GEC reviews recommendations from the ESG and Sustainability Steering Committee, approve key actions and ensure effective integration of sustainability impact management, impact management, risk mitigation and climate considerations into business strategy and ERM.

The Board considers material matters escalated by the GEC and provides strategic direction, challenge and approval for major sustainability commitments, including the Group's climate ambitions and transition plan once finalised.

The governance structure ensures that the sustainability impacts on the economy, environment and society as well as SRROs/CRROs are embedded in operational decision-making, resource allocation and Group-wide performance management, while maintaining appropriate Board-level oversight.

Performance related to the Group's material sustainability impacts, SRROs/CRROs together with the effective mitigation actions and related metrics are communicated through a structured reporting cycle (dashboards, ERM reports, targeted briefings), with clear escalation to the appropriate decision-making level on a timely basis. Impact-related information, including material impacts identified across the value chain, is communicated through the same reporting mechanism, ensuring a unified governance and escalation framework for impacts, risks and opportunities.

The ESG and Sustainability Steering Committee will meet periodically and report to the GEC following each meeting, highlighting key outcomes, recommendations, follow-up actions and emerging regulations and frameworks related developments relevant to sustainability and climate -related matters.

THE BOARD

The Board of Directors is responsible for overall governance and oversight of the Group's sustainability topics that have an impact on broader stakeholder groups, as well as the SRROs and CRROs, as set out in the Board Charter. The Board's responsibilities include:

Overseeing the strategic direction and material sustainability impact topics, SRROs/CRROs, and considers their implications for long- term value creation, approving related major sustainability commitments, including the climate ambitions and transition plans, and governance actions where required.

Reviewing sustainability impacts, impact management and mitigation strategies, and SRROs and CRROs at Board Meetings held at least quarterly, or more frequently as required, ensuring alignment with the Group's strategic direction and evolving external expectations.

Ensuring adequacy of systems, policies, controls and capabilities to facilitate timely flow of decision-useful to the Board relating to sustainability impacts, SRROs and related performance metrics.

Information Flow and Frequency

The Board receives regular and structured information, primarily through the GEC, unless otherwise noted. These include:

- Quarterly reports on sustainability disclosures, internal controls and assurance outcomes.
- Consolidated Sustainability and ESG reports from the ESG and Sustainability Steering Committee and sector level Group Management Committees via Board Papers.
- ERM reports incorporating climate-related risks within the Group risk register.
- Dashboards, sector summaries and ad hoc briefings on significant regulatory developments, sustainability matters or ESG related incidents.

Historically, the Board has overseen sustainability impact management through the approval of Group policies, impact-based KPIs and oversight of capital allocation and operational initiatives. As the Group's climate ambitions are being developed, the Board's current focus includes assessment of emerging climate risks and integration of climate considerations into long- term strategic planning. The Board will review and approve the Group's climate ambitions and transition plan upon completion.

Skills and Expertise

The Board's collective expertise across finance, strategy, risk management, governance, operations, technology and regulation, supported by structured briefings from the GEC, targeted training programmes and engagement with external subject matter specialists, ensures robust oversight of the Group's impact management and SRROs/CRROs.

Following the implementation of SLFRS S1 and SLFRS S2, the JKH Group Deputy Chairperson/Group Finance Director have taken an active role in strengthening the Group has further strengthened its sustainability governance architecture, including the development and enhancement of underlying frameworks, policies and processes. This has involved sustained engagement with management and cross-functional teams, dedicating significant time to building organisational understanding and capabilities, and establishing the foundational building blocks necessary to support robust, consistent and decision-useful sustainability reporting.

In parallel, the JKH Group Deputy Chairperson/Group Finance Director has participated in targeted training and knowledge-sharing engagements with external consultants and members of international sustainability standard-setting bodies, thereby further strengthening the Board's collective understanding of, and oversight over, evolving sustainability reporting and governance developments.

Refer the Board Profiles section of this Report for further details on pages 36-37.

Group Executive Committee (GEC)

In line with the Group's Operating Model, as further outlined in the Corporate Governance of this Report, the Board has designated the GEC as the principal governance body with delegated decision-making authority for the management and mitigation of sustainability impacts and SRROs/CRROs. The GEC ensures that sustainability impacts and SRROs/CRROs are appropriately incorporated into its meeting agenda for regular discussion and consideration.

The Responsibilities of the GEC includes:

Strategic oversight and approval	Overseeing the Group's sustainability and ESG framework; including the approval of strategies, targets, policies and key sustainability disclosures.
Integration into core management processes	Ensuring integration of sustainability impact mitigation and SRROs/CRROs into strategic planning, ERM and long- term value creation initiatives.
Review and challenge	Reviewing recommendations from the ESG and Sustainability Steering Committee monitor and manage material stakeholder expectations, regulatory requirements and recognised good practice.
Risk and strategy alignment	Evaluating whether material sustainability impacts, dependencies and SRROs/CRROs are appropriately reflected in the Group's risk management framework and business strategy.
Reporting and disclosure integrity	Overseeing the integrity and, completeness and consistency of internal and external sustainability reporting and ESG disclosures.

Information Flow and Frequency

The GEC receives structured quarterly updates on sustainability impacts, SRROs/CRROs, mitigation progress and related performance metrics; In addition, GEC receives annual updates on outcomes of materiality assessments, assurance requirements and key stakeholder insights. These updates are prepared by the ESG and Sustainability Steering Committee with inputs from the relevant sector GMCs.

Skills and Expertise

The GEC draws on the collective strength of its members, including expertise in governance, financial oversight and strategic leadership. Its competence is reinforced by structured updates from the ESG and Sustainability Steering Committee, including the inputs from the Sustainability function and the Working Groups on ambitions, as well as targeted capacity-building initiatives aligned to evolving priorities.

The GEC remains current with emerging sustainability and climate -related regulations, voluntary standards and reporting developments and, where specialist input is required, engages internal and external subject-matter experts. These arrangements enable the GEC to effectively evaluate material sustainability impacts and SRROs/CRROs, oversee execution of the Group's sustainability agenda, and to support robust, consistent and reliable sustainability and ESG disclosures.

ESG and Sustainability Steering Committee (ESSC)

The ESG and Sustainability Steering Committee serves as the structured conduit to the GEC, coordinating and operationalising the Group's sustainability and climate agenda. The Committee receives relevant information and updates from the Sustainability and ERM function as well as the respective sector level GMCs, as applicable.

The ESG and Sustainability Steering Committee is headed by the JKH Deputy Chairperson/Group Finance Director. The committee convenes at least once a quarter or at appropriate intervals and otherwise as required..

The ESSC's Responsibilities include:

Impact, risk and dependency assessment	Consolidating value-chain and life-cycle analyses across sectors to identify key dependencies, impacts, risks and opportunities.
Strategy and policy development	Recommending Group-wide sustainability and ESG strategies, policies and targets to the GEC and Board for review and approval and supporting execution across sectors and functions.
Monitoring and performance oversight	Monitoring sustainability impacts and ESG/climate risks and opportunities, including reviewing the outcomes of impact and financial materiality assessments, and emerging sustainability-related issues.
Policy and standards compliance	Assessing the effectiveness of the sustainability governance structures, processes and controls; and supporting stakeholder engagement and disclosure readiness.
Stakeholder engagement	Supporting compliance with Group-wide Sustainability and ESG policies, codes of conduct and relevant external standards.
Disclosure readiness	Ensuring that key stakeholder insights are appropriately reflected in the Group's sustainability priorities and decision-making.
Disclosure readiness	Reviewing disclosure readiness, including the adequacy of Sustainability and ESG-related reporting, and ensuring that relevant policies remain current, effective and fit for purpose.

Information Flow and Frequency

The ESG and Sustainability Steering Committee receives quarterly dashboards and formal reporting from Sector level GMCs to coordinate Group level oversight, including group-level risk reporting, sector ESG performance reviews, and updates on sustainability and ESG related disclosures, metrics, targets and methodologies.

Skills and Expertise

The ESG and Sustainability Steering Committee maintains and strengthens its collective competence through a combination of strong professional expertise and continuous development. This includes periodic briefings on emerging sustainability, climate and regulatory developments; participation in targeted training and internal capacity-building programmes; and engagement with internal and external subject matter experts. Drawing on access to multidisciplinary technical and sustainability knowledge within the Group, the Committee ensures that its approach to impact mitigation, target-setting, metrics, methodologies and disclosure requirements remains current and robust. This enables the ESG and Sustainability Steering Committee to effectively identify, assess and oversee the implementation of strategies to manage and mitigate sustainability-related impacts, risks and opportunities, review performance against established targets, and provide well-founded, informed recommendations to the GEC.

Management's Responsibilities and Role

Management is responsible for operationalising the Group's sustainability impacts and sustainability and climate-related strategies and initiatives through defined committees, reporting lines and internal controls. Execution is delegated to sector level GMCs, with oversight exercised through structured reporting to the Group's Sustainability function and ESG and Sustainability Steering Committee, which consolidates sector level insights and escalates material sustainability impacts to the GEC, and where required, from GEC to the Board ensuring timely decision-making and effective oversight across the governance hierarchy as outlined previously.

Delegation and Oversight

Execution of sustainability impact management strategies, and sustainability and climate-related strategies and initiatives, is delegated to the industry Group/sector level (Manufacturing and Supermarket Sectors) GMCs at a business level.

These GMCs play a central role in the Group's sustainability governance architecture by serving as the sector-level leadership bodies responsible for embedding sustainability impact management, SRROs/CRROs into operational and strategic decision-making. Their primary responsibility is to translate the Group's material Sustainability topics, ESG and climate ambitions set through the ESG and Sustainability Steering Committee, guided by GEC oversight and Board approval, into actionable, sector-specific strategies.

The Sector level GMC's responsibilities include:

- Translating Group level sustainability priorities into sector-specific plans and roadmaps, by embedding long term sustainability value creation objectives and considerations into the sector business plan, budgets, operational enhancements and resource allocation decisions with clear ownership, timelines and performance indicators.
- Identifying SRROs and CRROs across the sector value chain; assessing associated sustainability impacts; and defining appropriate mitigation, adaptation or opportunity capture. This process is informed by business-level value chain and life-cycle assessments and supported by senior management review and approval.
- Monitoring emerging regulatory, market and technological developments; assessing implications for the sector; and strengthening readiness through targeted training and capacity-building initiatives, supported by documented policy and regulatory readiness tracking.
- Proposing sector level goals, targets and KPIs for Group-level consideration; establishing baselines and measurement methodologies; tracking and reporting progress; and validating the completeness, accuracy and credibility of sector data and supporting documentation to enable assurance readiness.
- Ensuring that sustainability impacts and SRROs/CRROs are explicitly considered in material investments, including implications for asset and supply-chain resilience, operating costs, value creation, transition alignment and key implementation dependencies, with documented trade-offs and mitigation measures presented for decision-makers.
- Reviewing sector sustainability reporting inputs and escalating material matters, including significant impacts, incidents, emerging risks or material deviations, in accordance with established reporting and escalation procedures.

The Sector GMCs will take these sustainability related matters up at least quarterly with the above responsibilities forming standing agenda items.

The Group has implemented a sustainability performance management system which enables the collection of data at Business Unit level, which is then consolidated and presented to the GMC on a quarterly basis for performance review and course correction.

Sector GMCs submit quarterly updates to the ESG and Sustainability Steering Committee covering sector performance, sustainability impacts, changes in SRROs and CRROs, emerging issues and progress against key deliverables.

The ESG and Sustainability Steering Committee consolidates sector insights, applies cross-Group consistency checks, and elevates material matters and recommendation from a double materiality perspective to the GEC.

The GEC reviews material items and strategic implications and escalates issues to the Board where strategic direction or significant decisions are required.

This governance approach ensures that sector-level execution remains closely connected to Group-level oversight and decision-making, with clear escalation pathways for material sustainability impacts, SRROs and CRROs, enabling the preparation of transparent, decision useful sustainability and climate-related disclosures.

Controls and Procedures

Sustainability impacts, and sustainability and climate-related information are identified and captured at the business unit level and channelled through a defined reporting pathway to the Sector GMCs, the ESG and Sustainability Steering Committee, the GEC and ultimately the Board. Material matters, assessed from both an impact and financial materiality perspective, are escalated in accordance with the Group's sustainability governance framework and ERM processes. Management uses formal controls and procedures to support effective oversight of the Sustainability Management Framework, integrated ESG data management systems, internal audit and assurance processes, cross-functional coordination mechanisms, and standardised risk identification, assessment and reporting practices. These controls are designed to support data quality, consistency, accountability and decision-readiness across the governance structure.

Integration into Strategy and Decisions

The Board considers sustainability impacts, CRROs and SRROs as part of its oversight of the Group's overall strategy, major decisions and Group risk management framework and impact mitigation activities. In doing so, the Board considers how these matters may influence the Group's business model, its corporate responsibility efforts ensuring that impacts on the economy,

environment and society are managed, ensuring organisational resilience and long term value creation, and ensures they are addressed through appropriate governance, policies and management actions.

The GEC assesses sustainability impacts, CRROs and SRROs when developing and refining the Group's strategic priorities. This includes evaluating how sustainability impacts, CRROs and SRROs may affect long term competitiveness across business units, considering opportunities related to energy efficiency, resource optimisation, and emerging regulatory expectations and assessing the readiness of business units to support future climate ambitions, whilst ensuring responsible business operations meeting the expectations of a broad stakeholder groups including but not limited to investors.

When evaluating material investments, the GEC assessment will include exposure to physical and transition climate risks, potential impacts on operating costs, asset resilience, and long term value and alignment with emerging climate-related commitments. These evaluations also consider material impacts on society and the environment, including potential trade-offs between short term financial performance and longer term impact-related outcomes.

The ESG and Sustainability Steering Committee translates Group priorities into sector-level actions, decision inputs and performance monitoring. It provides the GEC with structured analysis by consolidating cross-functional insights from operational leaders and functional experts (including finance, risk, legal/compliance, HR and operations), ensuring recommendations reflect both execution realities and governance expectations.

In practice, the ESG and Sustainability Steering Committee supports strategy by:

- supporting sector plans and key initiatives to ensure they are aligned to Group Sustainability and ESG priorities and identifying delivery gaps.
- assessing emerging SRROs and CRROs and translating these into clear implications for business plans; and
- ensuring that material investment include decision-useful sustainability inputs - such as key impacts on broader stakeholder Groups, SRROs/CRROs affecting business operations, implementation readiness, data and metrics considerations, and proposed mitigation strategies.

When material investments are reviewed, the ESG and Sustainability Steering Committee applies a consistent evaluation lens to surface what management needs to address before decisions are taken - e.g. impact to key stakeholders, society and the environment, organisational resilience considerations, cost and feasibility implications, delivery dependencies and reporting requirements. The ESG and Sustainability Steering Committee also supports the quality of trade-off discussions by setting out practical options and helping decision-makers balance short term performance with longer term commitments and risk exposure.

Targets, Monitoring, and Remuneration

The Board of Directors oversees the development of targets related to the Group's sustainability impact topics, SRROs and CRROs and monitors progress toward those targets as they are established. The Board has delegated responsibility for the formulation and operationalisation of such targets to the GEC in collaboration with the ESG and Sustainability Steering Committee and sector GMCs, who are currently leading the development of the Group's sustainability impact targets including its climate ambitions and associated performance indicators.

During the 2025/26 reporting cycle and going forward, the GEC's focus through the ESG and Sustainability Steering Committee is on validating baseline metrics and assessing the feasibility of future targets, with periodic updates provided to the Board to support oversight and decision-making.

As permitted under SLFRS S1 transition reliefs, the Group has not yet introduced climate-related targets or linked remuneration metrics to such specific aspects although the broader ESG considerations form part of the key strategic priorities for key executives; however, the Board and the Human Resources and Compensation Committee (HRCC) shall evaluate how future sustainability-related performance measures may be incorporated into executive remuneration frameworks once targets are finalised.

Our climate targets are currently in development, informed by a detailed baseline data assessment that is underway. We remain committed to transparency and will disclose our specific targets, associated timelines, and progress once the target setting process has been finalised.

The Board, through the HRCC, shall review and approve the integration of such metrics into remuneration policies when the Group's climate ambitions, and transition pathways are developed by the ESG and Sustainability Steering Committee and approved following the Group approval matrix.

ASSURANCE MECHANISMS

The Assurance Mechanisms comprise the various supervisory, monitoring and benchmarking elements of the CCS Group Corporate Governance System which are used to measure actuals against plan with a view to highlighting deviations, signalling the need for corrective action, and quick redress when necessary. These mechanisms also act as safety nets and internal checks in the Governance system. The CCS Group also conducts internal and external audits on a periodic basis, with a minimum frequency of one per year.

As outlined in the ensuing sections, the CCS Group has various mechanisms in place for concerns to be escalated and raised to the GEC or to the Board as relevant and required. Other than matters on significant transactions linked to the operations of the CCS Group, no critical concerns which have a material adverse effect on the CCS Group were raised during the year.

Key Internal Policies

The CCS Group maintains a robust set of internal policies and implementation procedures and any changes to such polices shall be communicated to the stakeholders as relevant. The Board delegates the responsibility for monitoring compliance with such policies to the Chairperson or relevant Board Committees. The Board shall monitor adherence to the policies and where relevant, will inquire into and take requisite steps to address any material departures.

Key Internal Policies of the CCS Group:

- Policy on Conduct and Business Ethics supported by the:
  - Code of Conduct, encompassing policies on gifts, entertainment, facilitation payments, the protection of proprietary, confidential and personal information, insider trading and conflicts of interest.
  - Supplier Code of Conduct
  - Policy on diversity, equity and inclusion, including a gender policy
  - Policies on equal opportunities, non-discrimination, career management and promotions, including on employees with disabilities
  - Policies on Information Technology (IT), classification of information assets, Personal Data protection and security
  - Policy on communications and ethical advertising, complemented by social media and crisis communication guidelines
  - Policy against sexual harassment
- Policy on Corporate Governance
- Policies at a Board level, including the Policy on Matters Relating to the Board of Directors (BoD)
- Policy on Board Committees
- Policy on Nominations and Re-election
- Policy on Remuneration
- Recruitment and selection, rewards and recognition, and learning and development polices
- Leave (which also encompasses equal parental leave), flexi-hours, tele-working and agile working policies including health and safety enhancements and protocols
- Policy on forced, compulsory child labour and child protection
- Group accounting procedures and policies
- Policy on Control and Management of Company Assets and Shareholder Investments
- Policy on the Engagement of the External Auditor for Non-Audit Services
- Policies on fund management and foreign exchange risk mitigation
- Environmental, Social and Governance (ESG) Policy and the Group's sustainability policies including policies on energy, emissions, water, waste management and biodiversity conservation
- Policies on products and services
- Enterprise Risk Management and Internal Controls Policy
- Policy on Anti-Bribery, Anti-Corruption, Anti-Fraud, Anti-Money Laundering, Anti-Terrorism and Proliferation Financing and Sanctions.
- Policy on Corporate Disclosures and Relations with Shareholders and Investors
- Policies on Whistleblowing (Speak up Policy), grievance handling and disciplinary procedures, including the Ombudsperson policy

The CCS Group's policies are available to all employees via the CCS Group's employee portal, and such policies are made available to the shareholders upon a written request. These policies are approved by the Group Executive Committee with Board oversight.

No other material changes were done to the Group policies during the reporting period, and all the policies were complied with and no waivers from compliance or exemptions for the internal code of conduct and business ethics were granted during the year under review. The Group is in the process of making available all applicable policies in the public domain.

During the year under review, the Group strengthened its ESG Policy in alignment with the implementation of SLFRS S1 and SLFRS S2 disclosure requirements. The policy was updated to reflect the governance and process enhancements introduced as part of the implementation of these standards.

The Code of Conduct

The Code of Conduct acts as a vital conduit between the Group's overarching governance framework (which includes the Group's internal policies) and its employees, as it is the primary tool that operationalises the governance framework.

During the year the Group revisited and updated its Code of Conduct to provide employees with a clearer, more comprehensive, and practical guide that reflects the evolving regulatory landscape, strengthened compliance requirements, and emerging environmental and workplace considerations. The updated Code addresses issues most relevant to employees and reinforces the Group's core values of Integrity, Trust, Excellence, Caring, and Innovation, promoting ethical behaviour, accountability, and a culture of responsible business practices across the organisation.

The Code of Conduct is incorporated as part of the contract of employment of every employee. For new joiners in the executive and above levels, the content of the Code of Conduct and Group policies is covered via an induction to the Group and a mandatory e-learning module whilst copies of the Code are available in Sinhala and Tamil languages for employees who are more conversant in those languages.

Through the Code of Conduct, all Group policies apply to all employees and Directors. The Company Leadership, both the Board of Directors and the Group Executive Committee, spearheads the implementation of the Code.

The objectives of the Code of Conduct are strongly affirmed by the strong set of values and 4 key principles, which are enumerated below, and are well institutionalised at all levels within the Group through structured communication.

The Company and the CCS Group abide by the JKH Code of Conduct.

JKH Code of Conduct

- Allegiance to the Company and the Group, that ensures the Group will do the right thing, by going further than the letter of any contract, the law and the Group's written policies.
- Compliance with rules and regulations applying in the territories that the Group operates in.
- Conduct all businesses in an ethical manner at all times in keeping with acceptable business practices and demonstrate respect for the communities the Group operates in and the natural environment.
- Exercise of professionalism and integrity in all business and public personal transactions.

Employee alignment with these values and key principles, as well as their adherence to the JKH Code of Conduct, are integral factors in the Group's reward and recognition programs.

The Group Values continue to be consistently referred to by the Chairperson, Presidents and Business Unit Heads during employee and other key stakeholder engagements, in order to instil these values in the DNA of the employees.

The CCS Group Values are found in the Our Values section of the Annual Report– page 3.

Deep-dive into Giving and Receiving Gifts, Favours and Entertainment

The Group's policies prohibit the giving or receiving of gifts, entertainment or favours where a reasonable person could perceive a risk to independence or impartiality or view it as an inducement for an official or business favour. This covers interactions with clients, service providers, customers, business associates, political parties, or any stakeholder and also applies to charitable donations and sponsorships. Any modest gifts or tokens of appreciation, whether given or received, are permitted when aligned with business exigencies and provided they are well-intentioned, without ulterior motives or personal gain. All such gifts must be reported to the relevant Finance Head (Chief Financial Officer or Sector Financial Controller) for clearance and are centrally recorded and monitored.

During the year under review, no legal actions for anti-competitive behaviour, anti-trust, and monopoly practices have been recorded.

INDEPENDENT DIRECTORS

Independent Directors represent more than one-third of the Non-Executive Directors in the Board to preserve the corporate governance as stake holders need an independent party to voice their concerns on a confidential note.

Chairperson Direct

The JKH Group has a formal mechanism in place that enables both shareholders and employees to directly communicate with the Chairperson via email regarding any critical grievances or concerns. This platform ensures transparency, accountability, and open dialogue, allowing stakeholders to voice their issues in a structured and confidential manner.

Board Committees

The Board Committees play an important supervisory and monitoring role by focusing on the designated areas of responsibility passed to it by the Board.

For more information refer the Board Committees section on pages 125 - 134.

Employee Participation in Assurance

The CCS Group is continuously working towards introducing innovative and effective modes of employee communication and employee awareness. The importance of communication – top-down, bottom-up, and lateral – in gaining employee commitment to organisational goals has been conveyed extensively through various communications issued by the Sector President and the management. Whilst employees have many opportunities to interact with senior management, the Group has created the ensuing formal channels for such communication through feedback, without the risk of reprisal.

- Skip level meetings
- Exit interviews
- 360 degree evaluation
- Employee surveys
- Monthly staff meetings
- Chairperson-Direct
- Ombudsperson
- Continuous reiteration and the practice of the Open-Door policy

Additionally, the CCS Group continued with its policies on whistleblowing and securities trading. The Group has witnessed an increased level of communication flow from employees. Such communication and feedback received from the employees by the management are recorded, irrespective of the level of anonymity, and subsequently discussed and followed up, to the extent possible, to ensure two-way communication. The respective outcomes are duly recorded.

Internal Controls

The Board has taken necessary steps to ensure the integrity of the Group's accounting and financial reporting systems, and internal control systems remain robust and effective via the review and monitoring of such systems on a periodic basis.

Internal Compliance

A quarterly self-certification programme requires the Presidents, and Chief Financial Officers of CCS Groups to confirm compliance with statutory and other regulatory procedures, and also to identify any significant deviations from the expected norms. The compliance statement which gets collated every quarter and tabled at the respective Audit Committee meetings is subject to periodic review and where applicable revised, to reflect and capture any material changes that drive the macro and micro operating contexts, for reporting and monitoring purposes.

System of Internal Control

The Board has taken steps to obtain assurance that systems, designed to safeguard the Company's assets and provide management information, are functioning according to expectations and proper accounting records are in place through the involvement of the Group Business Process Review function.

This also entails automated monitoring and workflow based escalation in order to facilitate timely clearing of all transactional entries including complete reconciliation, unreconciled and open entries being flagged and periodically scrutinised, and formal disclosure being made to the relevant Audit Committees, efficient management and tracking of cash and cheques deposits, in line with international best practice. This also enables the continual streamlining and optimisation of the Internal Audit function via identification of focus areas, improvement opportunities and feedback reporting in order to reinforce governance and assurance.

The JKH Group has in place two integrated frameworks, the Fraud Deterrent and Investigation Framework and the Process Review Framework that complement each other to strengthen the Group's effort to promote anti-fraud, anti-corruption and anti-bribery by proactively recognising the changing context and operating landscape. The integrated fraud deterrent and investigation framework, which enables an integrated platform for handling all aspects of fraud and stakeholder assurance, reinforces uniformity across common processes in matters relating to fraud, employs a data-driven approach to the continuous assessment of control efficacy and assesses and deploys appropriate preventive and detective controls against frauds. The Integrated Process Review Framework provides an innovative approach to internal audits, which enable audits to be specific and highly focused on matters relevant to a business entity. Emphasis is placed on use-cases and events stemming from the current business strategy, which must be facilitated by participating processes, systems, and personnel which form micro-value chains with special attention to the efficacy of control and its placement to ensure the integrity of transactions as each traverse through each micro-value chain, at the time of audit reviews.

The digital system implemented for quarterly financial and operational information management, continues to perform as per expectations facilitating data capturing for compliance reporting, providing a sustainable and structured mechanism to enable top-down and bottom-up stakeholder engagement, and tracking the progression of how the compliance posture at an entity level has evolved, among others. The Forensic Data Analytics platform feeds into Internal Audit Scoping and continues to be used to identify areas for process optimisation, strengthening controls and in feedback reporting to reinforce governance (management) and assurance structures.

Initiatives to Strengthen Internal Controls



- In alignment with the Group's migration to SAP S/4HANA (RISE), a high-level review of the authorisation matrix was executed to validate access levels, address any anomalies and ensure secure and consistent user access controls. By addressing these prior to go-live, the Group ensured a smooth transition while safeguarding system security and the integrity of its controls.
- Strengthened its risk governance capabilities through the continued development of an Integrated Credit Risk Intelligence System under the Group-wide Forensic Data Analytics Platform initiative. The system enables a shift from reactive to proactive risk management by providing timely insights on customer creditworthiness, portfolio concentration risks, collections prioritisation, and sector-level risk trends, thereby supporting faster and more informed credit decisions. Designed with strong governance and accuracy controls, the system incorporates safeguards to validate model outputs against underlying data to ensure reliability and auditability.
- In parallel, the JKH Group initiated a structured review of key operational processes was initiated - including Order-to-Cash, Procure-to-Pay, and Record-to-Report cycles - to identify opportunities for automation, digital reengineering, and improved data integrity across shared services, reinforcing the Group's commitment to data-driven decision-making and responsible governance.
- Enhanced its Business Continuity Management (BCM) framework, adopting a structured, process-driven approach to safeguard operational resilience and protect stakeholder interests, while aligning with globally recognised standards such as ISO 22301:2019 and best practices recommended by Disaster Recovery Institute International (DRI). The framework incorporates proactive risk mitigation measures, regular testing, and governance oversight to support the uninterrupted functioning of critical operations during periods of disruption.
- Continued to strengthen its data governance framework to ensure compliance with the Personal Data Protection Act No. 09 of 2022, aligning practices with internal data protection principles and globally recognised standards.
- Dedicated Data Protection Officers (DPOs) are in place across industry groups, with oversight of data protection practices within their respective domains. DPOs report to Sector Data Governance Leads and Presidents and are supported by a Data Governance Steering Committee, which provides strategic direction and oversight.

  Building on the previously completed gap analysis by external consultants, the Group continued to enhance its technical, security, and organisational controls during the year. Compliance is monitored through structured reporting channels, with regular updates submitted by DPOs and periodic reporting to the Audit Committee on compliance status, emerging risks, and ongoing improvements.

  The Group also continues to monitor regulatory developments and engage with the Data Protection Authority of Sri Lanka to ensure alignment with evolving requirements. No substantiated complaints relating to breaches of customer privacy or loss of customer data were reported during the year.

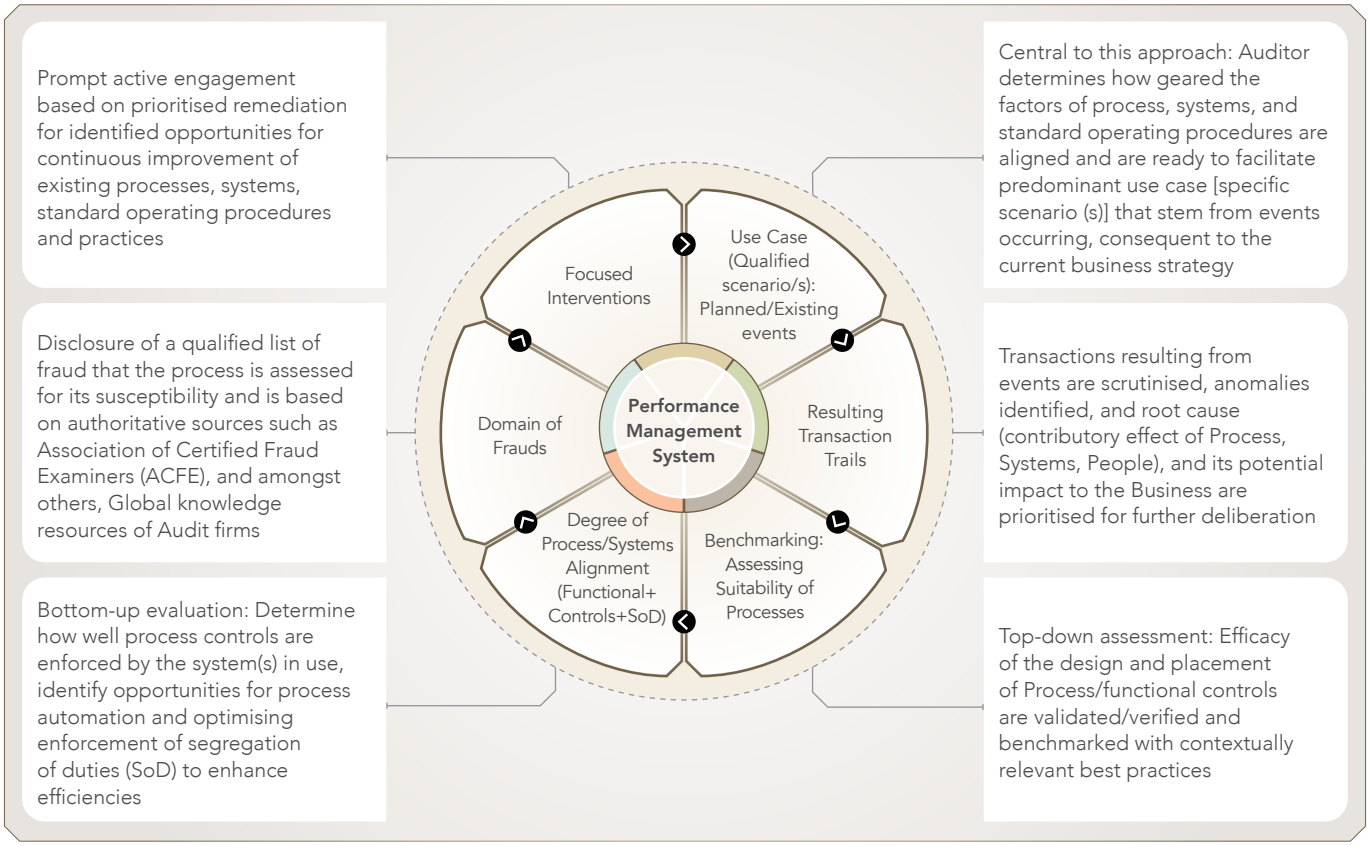
The risk review programme covering the internal audit of the whole Group is outsourced. Reports arising out of such audits are, in the first instance, considered and discussed at the business/ functional unit levels and, after review by the President of the industry group, is forwarded to the relevant Audit Committee on a regular basis. Further, the Audit Committees also assess the effectiveness of the risk review process and systems of internal control on a regular basis.

Segregation of Duties (SoD) under Sarbanes-Oxley (SOX)

The CCS Group recognises the importance of ensuring that no individual has excessive system access to execute transactions across entire or several business processes which have critical approval linkages. With growing reliance on information technology and integrated financial controls, there is an increased risk of unintended exposures within the Group. SoD dictates that problems such as fraud, material misstatements and manipulation of financial statements have the potential to arise when the same individual is able to execute two or more conflicting, sensitive transactions. Separating disparate jobs into task-oriented roles can often result in inefficiencies and costs which do not meet the cost versus benefit criteria. Whilst the attainment of a zero SoD conflict state is utopian, the Group continues to take steps to identify and evaluate existing conflicts through the maintenance and monitoring of a SoD matrix with defined parameters for identifying, approving and reporting on conflicting roles and how they are dealt with. The residual risks is then reduced to an acceptable level under a cost versus benefit rationale. No material conflicts were reported during the year.

Internal Audit

The following diagram provides a helicopter view of the Internal Audit Approach that has been rolled out within the CCS Group. Central to this approach is the business strategy and how the current processes, systems, and people, are geared to efficiently and effectively handle the deliverables of the current business strategy at the time of review. The outer elements reflect the reporting elements which are noted in audit reports, either as observations and/or value-added recommendations.



CCS Group maintains an in-house Internal Audit team to address operationally specific requirements that demand industry specific knowledge, while an outsourced Internal Auditor is engaged for selected, specialised engagements.

Forensic Data Analytics to Identify Anomalies and Facilitate Behavioural Oversight

Traditionally, internal auditing followed an approach which was based on a cyclical process that involves manually identifying control objectives, assessing and testing controls, performing tests, and sampling only a relatively small population of the dataset to measure control effectiveness and operational performance. Today, the Group operates in a complex and dynamic business environment where the number of transactions has increased exponentially over the years, and traditional cyclical/sample based internal auditing techniques are becoming less effective. As such, the Group continues to use big data analysis techniques on the total data using standard deviations, z-scores and other statistical measures in establishing real-time, user-friendly outlier identification and early warning triggers.

Forensic Data Analytics



The CCS Group continues to strengthen its use of forensic data analytics as a key mechanism to enhance financial governance and risk oversight. The system facilitates the identification and investigation of unusual transactions within large data populations through the application of well-established analytical algorithms, enabling timely management attention and reinforcing process and system controls to safeguard transaction integrity.

A critical success factor of this oversight mechanism is the deployment of advanced machine learning algorithms that are continuously calibrated to reflect the operating conditions of each business. This enables the system to remain relevant and insightful, enhancing its effectiveness in supporting Continuous Controls Monitoring (CCM), enabling early detection of anomalies, and creating opportunities for optimisation and proactive intervention.

As part of this initiative, the Group continues to enhance its Forensic Data Analytics platform for automated Transaction Outlier Detection, which monitors datasets relating to accounts payable, accounts receivable, the general ledger, and other financial transactions. The system detects anomalies and routes alerts to Management for timely review and response, functioning as a robust oversight tool that helps deter fraud while further strengthening the overall control environment.

Ombudsperson

The Group has appointed an Ombudsperson to serve as an independent, impartial, and confidential channel for addressing complaints, disputes, or grievances raised by employees, stakeholders, or other parties in relation to alleged violations of the Code of Conduct. The Ombudsperson complements existing mechanisms such as Chairperson Direct and formal whistleblowing channels and may be approached where concerns are not addressed satisfactorily through internal processes.

The findings and the recommendations of the Ombudsperson, subsequent to an independent inquiry, are confidentially communicated to the Chairperson upon which the involvement duty of the Ombudsperson ceases.

On matters referred to him by the Ombudsperson, the Chairperson will place before the Board:

i. The decision and the recommendations.

ii. Action taken based on the recommendations.

iii. Where the Chairperson or the Senior Independent Director disagrees with any or all of the findings and or the recommendations thereon, the areas of disagreement and the reasons, thereof.

In situation (iii), the Board is required to consider the areas of disagreement and determine the way forward. The Chairperson is expected to take such steps as are necessary to ensure that the complainant is not victimised, in any manner, for having invoked this process.

The Ombudsperson also provides periodic reports to the Board or the Audit Committee, including a summary of the number and nature of complaints received, investigation outcomes, and recommendations for systemic improvements, without disclosing personal or confidential information unless required by law. Safeguards have been established to ensure that complainants are not subjected to victimisation for invoking this process.

The current Ombudsperson is an attorney-at-law by profession. Typically, the appointment of the Ombudsperson is for a fixed term between three to five years, which may be renewed at the option of the Board.

Mandate and Role

For purposes of easy reference, Ombudsperson's mandate and role:

(a) legal and ethical violations of the Code of Conduct for employees, but in an appellate capacity, when a satisfactory outcome using existing procedures and processes has not resulted or when the matter has been inadequately dealt with;

(b) violations referred to above by individuals at the Executive Vice President, President and Executive Director levels, including that of the Chairperson-CEO, in which case the complainant has the option of either complaining to the Ombudsperson in the first instance, or first exhausting the internal remedies;

(c) sexual harassment, in which event the complainant has the option of either complaining to the Ombudsperson in the first instance or first exhausting the internal remedies.

The mandate excludes disciplinary issues from the Ombudsperson's responsibilities. The right to take disciplinary action is vested exclusively in the Chairperson-CEO and those to whom this authority has been delegated.

During the period under review, one procedural complaint was received by the Ombudsperson, citing a delay in adhering to internal processes in addressing the issue in a timely manner. This matter has since been addressed and closed as at 15th May 2026, being the date of this report.

No other issues that fall under the purview of the Ombudsperson have been brought to the attention of the Ombudsperson during the financial year that would indicate mismanagement, unfair treatment, or justified discontent on the part of any employee or ex-employee.

Ombudsperson

15th May 2026

External Audit

Ernst & Young are the external auditors of the Company as well as the subsidiaries and audit the consolidated Financial Statements of the CCS Group. The appointment of the auditors was recommended by the individual Audit Committees to their respective Boards of Directors.

In addition to the normal audit services, Ernst and Young and the other External Auditors, also provided certain non-audit services to the CCS Group. However, the lead/consolidating auditor would not engage in any services which are in the restricted Category as defined by the CSE for External Auditors. All such services have been provided with the full knowledge of the Audit Committee and are assessed to ensure that there is no compromise of External Auditor independence.

The audit and non-audit fees paid by the Company and Group to its auditors are separately classified in the Notes to the Financial Statements of the Annual Report.

GOVERNANCE OUTLOOK AND EMERGING CHALLENGES

Operating in a volatile and evolving global geo-political and local environment, the Group recognises the importance of maintaining a strong and effective corporate governance framework. Robust governance underpins accountability, transparency, fairness and sustainable value creation for stakeholders. The Board continues to assess governance readiness against emerging internal and external challenges, while aligning practices with global best standards. The key governance focus areas and challenges being continuously addressed by CCS Group are detailed in the ensuing section.

Board Diversity and Succession Planning

CCS Group values Board diversity and strives to attract skilled Directors who align with its vision and values, while understanding the complexities of its diverse business interests. The Group believes diversity enhances stakeholder insights and responsiveness. Efforts are focused on recruiting qualified individuals from various demographics, experiences, and backgrounds, all within a strong culture of meritocracy. Considering the diversity of the Group and the institutional knowledge, proactive succession planning of the Board and, more importantly, key executive leadership will enable continuity of strategy, governance and culture of the business.

Board Independence

Board independence holds significant value for stakeholders, stock exchanges, and regulatory bodies globally. CCS Group emphasises the need for effective structures and nomination processes to foster independent decision-making and minimize conflicts of interest.

While criteria for defining Board independence vary across countries, evidence suggests that a combination of checks and balances, such as assurance mechanisms, comprehensive evaluations, and Independent Director led engagements, can enhance governance without compromising corporate operations. CCS Group remains committed to strengthening Board independence while aligning with its diversified conglomerate operating model.

Beneficial Ownership of the Company

While the Group does not have a controlling shareholder or any shareholder interest represented on the JKH Board, the CCS Group recognises that beneficial ownership disclosure is critical to transparency and stakeholder trust and has proactively begun collating and preliminarily verifying relevant information. The Companies Act (Amendment) No. 12 of 2025 introduced mandatory beneficial ownership requirements effective from 30 March 2026 onwards. The Group continues to engage with shareholders and monitor regulatory developments to ensure full compliance with the framework..

Anti-Fraud, Anti-Corruption and Anti-Bribery and Financial Crime Compliance

The CCS Group enforces a zero-tolerance stance on fraud, bribery, corruption, and financial crime through its Code of Conduct and comprehensive compliance policies. Ongoing monitoring and remediation processes support the ethical conduct and behaviours in all operations.

The CCS Group continues to work with the Financial Intelligence Unit of Sri Lanka to further strengthen its compliance framework and enhance monitoring and coordination in the implementation of Anti-Money Laundering, Counter-Terrorism Financing and Counter-Proliferation Financing measures, recognising the broader implications for the country.

There were 59 reported incidents of fraud, all of which resulted in employee terminations. These incidents were reported within the Supermarket business.

Additionally, the Group continuously enhances its monitoring and resolution processes for Code of Conduct deviations.

Increasing Emphasis on Environmental, Social and Governance (ESG) Aspects

ESG considerations continue to gain prominence among investors, regulators and other stakeholders. The Group integrates ESG factors into strategy, operations and decision making to support sustainable growth, responsible resource management, stakeholder well being and strong governance.

Material ESG priorities have been identified through sector specific studies, stakeholder engagement and benchmarking exercises. Following the release of IFRS S1 and S2 by the International Sustainability Standards Board and their localisation to SLFRS S1 and S2 by CA Sri Lanka, CCS Group implemented the standards during the year under review.

Continual Strengthening of Internal Controls

The Group continues to strengthen its internal control environment by integrating financial, operational and technology enabled controls in line with international best practice. These initiatives are intended to improve efficiency, enhance oversight, strengthen fraud detection and prevention, and enable data driven monitoring and compliance. The implementation of SAP

Rise and the related system enhancements will also facilitate further improvement in the Group's internal control and monitoring environment

Continuous strengthening of internal controls through a structured process that optimises and facilitates process audit information, lifecycle management and related processes are expected to:

- eliminate inefficiencies inherent in manual processes.
- provide a platform based on process enforcement.
- enable management follow-up based on centrally held data in a compliance repository.
- identify trends, action taken, effectiveness and opportunities for process improvement by analysing movement of the compliance posture.
- strengthen the Group's ability to prevent and detect fraud.
- leverage data analytics and technology to raise alerts.

Digital Oversight and Cyber Security

As digitalisation expands across operations, the CCS Group recognises increased exposure to cyber and technology related risks. The Board and Audit Committee place significant emphasis on digital oversight, cyber security and data protection, with these matters periodically reviewed to ensure the adequacy of infrastructure, controls and risk mitigation measures.

Data Protection, Information Management and Adoption

The CCS Group embeds a strong culture of data privacy and responsible data stewardship, aligned with the Personal Data Protection Act No. 09 of 2022. Governance is supported by robust policies, security controls, role-based access, training, and oversight by designated Data Protection Officers and the Group Data Governance Steering Committee. Continuous enhancements are guided by external assessments and regulatory developments, and no substantiated customer data breaches or data losses were reported during the year. The requirements under data protection laws will necessitate businesses to devise their strategies and stakeholder engagements in a manner that complies with the law while enabling better insights and understanding of its stakeholder needs

Greater Employee Involvement in Governance

The CCS Group recognises employees as a critical pillar of effective governance. Ongoing training on the Code of Conduct and governance policies, strengthened performance management processes, enhanced communication and increased empowerment are used to reinforce accountability, ethical behaviour and engagement across the organisation.

Need for Increased Transparency

Transparency remains an evolving journey driven by changing regulations, global best practice and stakeholder expectations. Open, balanced and relevant reporting strengthens trust, credibility and organisational legitimacy, while supporting informed stakeholder decision making. The Group continues to enhance transparency in a manner that prioritises material information and long term value creation.

Geopolitical Risk and Resilience

Global volatility and heightened geo-political risks have required businesses to reinforce risk management processes. While Sri Lanka has developed the necessary macro-economic buffers to withstand external shocks, more frequent or prolonged global volatility will create the need for building resilience in the business model and value chains of corporates. Given the experience from the economic crisis, certain business resilience plans are in place while the emerging global trends will need to be continuously monitored to assess the impact on the country and the macro environment.

COMPLIANCE SUMMARY

The CCS Board, through its operating structures, strived to ensure that the Company and all its subsidiaries and associates complied with the laws and regulations of the countries they operated in. Accordingly, the CCS Group complied with all applicable laws and regulations of the countries it operates in, including anti-corruption and anti-bribery laws.

The Board of Directors also took all reasonable steps in ensuring that all financial statements were prepared in accordance with the Companies Act No 7 of 2007, the Sri Lanka Accounting Standards (SLFRS/LKAS) issued by CA Sri Lanka, Sri Lanka Sustainability Disclosure Standards and the requirements of the CSE and other applicable authorities. Information contained in the financial statements of the Annual Report is supplemented by a detailed Management Discussion and Analysis which explains to shareholders the strategic, operational, investment, sustainability and risk related aspects of the Company, and the means by which value is created and how it is translated into the reported financial performance and is likely to influence future results.

Statement of Compliance pertaining to the Companies Act No. 7 of 2007

MANDATORY PROVISIONS - FULLY COMPLIANT

Section		Compliance Status	Reference	Pages
168 (1) (a)	The nature of the business of the Company or classes of business in which it has an interest together with any change thereto	Yes	Management Discussion and Analysis, Annual Report of the Board of Directors	43-109, 260
168 (1) (b)	Signed financial statements of the Group and the Company	Yes	Financial Statements	274-347
168 (1) (c)	Auditors' Report on financial statements	Yes	Independent Auditors' Report	271-273
168 (1) (d)	Accounting policies and any changes thereto	Yes	Notes to the Financial Statements	281-347
168 (1) (e)	Particulars of the entries made in the Interests Register	Yes	Annual Report of the Board of Directors	265
168 (1) (f)	Remuneration and other benefits paid to Directors of the Company	Yes	Notes to the Financial Statements	307
168 (1) (g)	Total corporate donations made by the Company	Yes	Notes to the Financial Statements/Annual Report of Board of Directors	261/307
168 (1) (h)	Information on the Directorate of the Company and its subsidiaries during and at the end of the accounting period	Yes	Annual Report of Board of Directors	264
168 (1) (i)	Amounts paid/payable to the External Auditor as audit fees and fees for other services rendered	Yes	Notes to the Financial Statements	307
168 (1) (j)	Auditors' relationship or any interest with the Company and its Subsidiaries (other than as auditor)	Yes	Report of the Audit Committee	267
168 (1) (k)	Acknowledgement of the contents of this Report and signatures on behalf of the Board	Yes	Financial Statements/Annual Report of the Board of Directors	276/266
168 (2)	Information specified in paragraphs (b) to (j) of subsection (1) in relation to Subsidiaries	Yes	Financial Statements/Annual Report of the Board of Directors	274-347/ 260-266

Statement of Compliance under Section 7.5 of the Listing Rules of the Colombo Stock Exchange (CSE) on Annual Report Disclosures

MANDATORY PROVISIONS - FULLY COMPLIANT

CSE Rule		Compliance Status	Reference	Pages
a (i)	The Annual Report shall comply with applicable regulatory requirements and include audited Financial Statements prepared in accordance with Sri Lanka Accounting Standards and Sri Lanka Auditing Standards, together with disclosures prepared in accordance with Sri Lanka Sustainability Disclosure Standards.	Yes	Financial Statements and Independent Auditor's Report	274-347 271-273

Statement of Compliance under Section 7.6 of the Listing Rules of the Colombo Stock Exchange (CSE) on Annual Report Disclosures

MANDATORY PROVISIONS - FULLY COMPLIANT

CSE Rule		Compliance Status	Reference	Pages
(i)	Names of persons who were Directors of the Company	Yes	Board of Directors	36-37
(ii)	Principal activities of the Company and its Subsidiaries during the year, and any changes therein	Yes	Management Discussion and Analysis, Annual Report of the Board of Directors, Financial Statements and Notes to the Financial Statements	43 -109, 260,281
(iii)	The names and the number of shares held by the 20 largest holders of voting and non-voting shares denominated in LKR and the percentage of such shares held	Yes	Your Share in Detail	348
(iv)	a) The float adjusted market capitalisation, public holding percentage (%), number of public shareholders and under which option the Listed Company complies with the Minimum Public Holding requirement in respect of voting ordinary shares The public holding percentage in respect of non-voting Shares (where applicable) b) The public holding percentage in respect of Foreign Currency denominated Shares	Yes Not Applicable Not Applicable	Your Share in Detail	348
(v)	A statement of each Director's holding of shares the Company at the beginning and end of each financial year	Yes	Annual Report of the Board of Directors	264
(vi)	Information pertaining to material foreseeable risk factors of the Company	Yes	Enterprise Risk Management Report	174
(vii)	Details of material issues pertaining to employees and industrial relations of the Company	Yes	During the year 2025/26, there were no material issues pertaining to employees and industrial relations of the CCS Group	
(viii)	Extents, locations, valuations and the number of buildings of the Company's land holdings and investment properties	Yes	Group Real Estate Portfolio	351
(ix)	Number of shares representing the Company's stated capital	Yes	Your Share in Detail	348
(x)	A distribution schedule of the number of holders in each class of equity securities, and the percentage of their total holdings	Yes		
(xi)	Ratios and market price information	Yes	Key Figures and Ratios	351
(xii)	Significant changes in the Company's or its Subsidiaries' fixed assets, and the market value of land, if the value differs substantially from the book value	Yes	Notes to the Financial Statements	320
(xiii)	Details of funds raised through a public issue or further issue of securities, the manner in which the funds of such issue have been utilised, details of the number of securities, class and consideration received and the reason for the issue and any material change in the use of funds	Not Applicable		
(xiv)	Information in respect of Employee Share Ownership or Share Purchase Schemes	Yes	Corporate Governance, Annual Report of the Board of Directors and Notes to the Financial Statements	334-336
(xv)	Disclosures pertaining to Corporate Governance practices in terms of Section 9 of the Listing Rules	Yes		112-163
(xvi)	Related Party transactions exceeding 10% of the equity or 5% of the total assets of the Company as per audited financial statements, whichever is lower, with requisite details	Yes		261
(xvii) to (xxii)	Disclosures pertaining to Foreign Currency denominated Securities, Sustainable Bonds, Perpetual debt Securities, Infrastructure Bonds, Compliant Debt Securities and/or High Yield Corporate Debt Securities listed on the CSE	Not Applicable	-	

Statement of Compliance under Section 9 of the Listing Rules of the Colombo Stock Exchange (CSE) on Corporate Governance

MANDATORY PROVISIONS - FULLY COMPLIANT

CSE Rule		Compliance Status	Reference	Pages
9.1 Corporate Governance Rules				
9.1.3	A statement confirming compliance with Corporate Governance Rules	Yes	Chairperson's Message / Annual Report of the Board of Directors	20, 262-263
9.2 Policies				
9.2.1	Specified set of policies to be maintained together with the details relating to the implementation of such policies mentioned of website	Yes	Corporate Governance	156
9.2.2	Disclosure of any waivers from compliance with the Internal Code of business conduct and ethics or exemptions granted by Company	Yes		158
9.2.3 (i) (ii)	List of policies to be disclosed along with any changes made to policies	Yes		156
9.2.4	Policies to be made available on written request to shareholders	Yes		157
9.3 Board Committees				
9.3.1 a/b/c/d	Maintenance of minimum required Board Committees	Yes	Corporate Governance	125-134
9.3.2	Compliance with the composition, responsibilities and disclosures required in respect of the Board Committees			125-134
9.3.3	Chairperson of the Board to not serve as the Chairperson of the Board Committees referred in 9.3.1			135
9.4 Meeting procedures and the conduct of all General Meetings with shareholders				
9.4.1	Maintenance of records relating to all resolutions considered at any General Meeting including requisite information. Making available copies of the same on request to the CSE and/or SEC	Yes	Corporate Governance	148
9.4.2 a-d	Communication and relations with shareholders and investors	Yes		147
9.5 Policy on matters relating to the Board of Directors				
9.5.1 a	Balanced representation between EDs and NEDs, covering Board composition, roles of the Chairperson and CEO, Board balance, and procedures for evaluating Board and CEO performance	Yes	Corporate Governance	118-123
9.5.1 b	Rationale for combining the roles of Chairperson and CEO, terms of reference of SID, and measures implemented to protect the interests of the SID in the event the Chairperson and CEO roles are combined	Not Applicable		
9.5.1 c	Require diversity in Board composition for Board effectiveness	Yes		118-119
9.5.1 d	The rationale and the maximum number of Directors	Yes		118-119
9.5.1 e	Frequency of Board meetings	Yes		121
9.5.1 f	Establish mechanisms to keep Directors informed of Listing Rules and the Company's status of compliance/non-compliance	Yes		122

CSE Rule		Compliance Status	Reference	Pages
9.5.1 g	Minimum number of meetings (number and percentage) that a Director must attend	Yes	Corporate Governance	120
9.5.1 h	Requirements relating to trading in securities of the Company and its listed group companies, including disclosure obligations	Yes		122
9.5.1 i	Maximum number of directorships that may be held by Directors in listed companies	Yes		124
9.5.1 j	Permit participation in Board and Committee meetings through audiovisual means, with such participation counting toward the quorum	Yes		121
9.5.2	Confirmation of compliance with policy in the annual report, with reasons for non-compliance and proposed remedial action	Yes	Annual Report of the Board of Directors	262-263
9.6 Chairperson and CEO				
9.6.1	Requirement for a SID if the positions of Chairperson and CEO are held by the same individual	Not Applicable		
9.6.2	Market announcement on the Chairperson being an Executive Director and/or combination of the Chairperson-CEO Roles including the rationale			
9.6.3 a-d	Requirement for a SID			
9.6.3 e	SID shall make a signed explanatory disclosure demonstrating the effectiveness of their duties			
9.6.4	Rationale for the appointment of a SID set out in the Annual Report			
9.7 Fitness of Directors and CEO				
9.7.1	Company to take necessary steps to ensure that their Directors and the CEO are, at all times, fit and proper persons in terms of the rules	Yes	Corporate Governance	119-120
9.7.2	Ensure nominees meet fit and proper criteria before shareholder approval or appointment as Director			120/122
9.7.3	Assessment Criteria: Honesty, Integrity and Reputation, Competence and Capability and Financial Soundness			119-120
9.7.4	Annually obtain declarations from Directors and the CEO confirming compliance with fit and proper assessment criteria	Yes		120
9.7.5	Disclosures in the Annual Report	Not Applicable	No non-compliances were reported during the year in this regard	
9.8 Board Composition				
9.8.1	Minimum number of Directors on the Board	Yes	Corporate Governance	118-119
9.8.2	At least 2 members or 1/3 of the Board, whichever is higher to be independent	Yes		118-119
9.8.3 (i) to (ix)	Criteria for determining independence	Yes		123
9.8.5 a-c	The Board to ensure that IDs annually submit declarations on independence/non-independence. Board to make an annual determination on the independence or otherwise of IDs and name the Directors who are determined to be independent Market announcement if ID independence has been impaired	Yes		122-123

CSE Rule		Compliance Status	Reference	Pages
9.9 Alternate Directors				
a-e	Appointment of Alternate Directors to be in accordance with the Rules and such requirements to be incorporated into the Articles of Association	Not Applicable	No Alternate Directors were appointed during the financial year.	
9.10 Disclosures relating to Directors				
9.10.1	Disclose policy on the maximum number of directorships Board members are permitted to hold	Yes	Corporate Governance	124
9.10.2/ 9.10.3	Market announcement upon the appointment of a new Director and any changes to the Board and Board Committee composition, including necessary details	Yes		119
9.10.4a-i	Disclosure of details relating to the Board members	Yes	Board Profiles	36-37
9.11 Nominations and Governance Committee (NGC)				
9.11.1	Establishment of a NGC	Yes	Corporate Governance	129
9.11.2	Formal procedure for the appointment and re-election of Directors	Yes		129
9.11.3	NGC to have a written Terms of Reference	Yes		129
9.11.4 (1) a-b	The Composition of NGC	Yes		129
9.11.4 (2)	Chairperson of NGC to be an ID	Yes		129
9.11.4 (3)	Disclosure of names of the NGC Chairperson and members	Yes		129
9.11.5 (i) – (x)	Functions of NGC	Yes		129
9.11.6 a-m	NGC Report with requisite information to be disclosed in Annual Report	Yes		130-131
9.12 Human Resources and Compensation Committee (HRCC)				
9.12.2	Establishment of a RC	Yes	Corporate Governance	127
9.12.3	RC to establish and maintain a formal and transparent procedure for developing policy on EDs and individual Director's remuneration, ensuring that no Director is involved in fixing their own remuneration	Yes		127
9.12.4	Remuneration for NEDs shall be based on a policy of non-discriminatory pay practices to ensure their independence	Yes		125
9.12.5	The RC to have written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings	Yes		127
9.12.6 (1)	Composition of RC	Yes		127
9.12.6 (2)	Chairperson of RC to be an ID	Yes		127
9.12.7	Functions of the RC	Yes	Corporate Governance	127
9.12.8 a	Disclosure of names of Chairperson and members of RC	Yes		128
9.12.8 b	Disclosure of statement of Remuneration policy	Yes		125
9.12.8 c	Aggregate remuneration paid to EDs and NEDs	Yes		125

CSE Rule		Compliance Status	Reference	Pages
9.13 Audit Committee (AC)				
9.13.1	AC to handle Risk functions where Company does not have separate Committees for Audit and Risk	Yes	Corporate Governance/Audit Committee Report	126
9.13.2	AC to have written Terms of Reference	Yes		126
9.13.3 (1) a-b	Composition of AC	Yes		126
9.13.3 (2)	The quorum for AC Meeting shall require a majority of those in attendance to be IDs	Yes		126
9.13.3 (3)	AC to meet as often as required, provided it meets compulsorily on a quarterly basis, at minimum, prior to recommending the release of financials	Yes		267
9.13.3 (4)/ (6)	ID who is a member of a recognised professional accounting body to be appointed as Chairperson of the AC	Yes		126
9.13.3 (5)	Sector President and the Chief Financial Officer (CFO) to attend the Audit Committee meetings by invitation.	Yes		268
9.13.4	Functions of AC	Yes		126
9.13.5 (1)	Report of the AC	Yes		267-269
9.13.5 (2) a-i	Disclosures to be included in the AC report	Yes		267-269
9.14 Related Party Transactions Review Committee (RPTRC)				
9.14.1	Establishment of a RPTRC	Yes	Corporate Governance	132
9.14.2 (1)	Composition of RPTRC	Yes		132
9.14.3	Functions of the RPTRC	Yes		132
9.14.4 (1) – (4)	General Requirements including requirement for RPTRC to meet at least once a quarter, access to all aspects of Related Party Transactions (RPTs), RPTRC to request Board to approve RPTs reviewed by it and requirements relating to Director's material personal interest in a matter being considered at a Board Meeting in relation to a RPT	Yes		132
9.14.5	Review of RPTs by the RPTRC	Yes		133
9.14.6	Shareholder Approval for RPTs	Not Applicable	During the year under review there was no requirements for Shareholder Approval.	
9.14.7	Immediate Disclosures	Yes	Corporate Governance	133
9.14.8 (1)	Details and disclosures pertaining to Non-Recurrent RPTs in the Annual Report	Yes	Notes to the Financial Statements	345-346
9.14.8 (2)	Details and disclosures pertaining to Recurrent RPTs in the Annual Report	Yes		345-346
9.14.8 (3)	Report of the RPTRC	Yes	Corporate Governance	133

CSE Rule		Compliance Status	Reference	Pages
9.14.8 (4)	Declaration by the Board of Directors as an affirmative statement of compliance with the rules pertaining to RPTs, or a negative statement otherwise	Yes	Annual Report of the Board of Directors.	261
9.14.9 (1)/ (2)	Shareholder approval for acquisition and disposal of substantial assets	Not Applicable	During the year under review there was no requirements for Shareholder approval	
9.14.9 (4)/ (5)/(6)	RPTRC to obtain competent independent advice on acquisition and disposal of substantial asset	Not Applicable	There were no acquisition and disposal of substantial assets during the year 2025/26.	
9.17 Additional Disclosures				
(i)	Directors have disclosed all material interests in contracts and have refrained from voting when materially involved	Yes	Corporate Governance	122
(ii)	Directors have conducted a review of the internal controls and obtained reasonable assurance of their effectiveness and adherence	Yes		158
(iii)	Arrangements made for Directors to be made aware of laws, rules and regulations and any changes thereto particularly to Listing Rules and applicable capital market provisions	Yes		122
(iv)	Disclosure of material non-compliance with laws/regulations and fines by relevant authorities where the Company operates	Yes	There were no significant instances of non-compliance with laws and regulations during the reporting period.	

7.5 Code of Best Practice of Corporate Governance 2023 Issued by CA Sri Lanka

VOLUNTARY PROVISIONS

The Company is compliant with almost the full 2023 Code of Best Practice on Corporate Governance issued by the CA Sri Lanka to the extent of business exigency and as required by the Group.

Directors	➲ The Company is led by an effective Board that possess the skills, experience and financial acumen enabling independent judgement on a variety of subjects. ➲ Regular meetings of the Board are held and at the minimum once a quarter, with access to information, the advice of Company Secretary and independent professional advice, as required. ➲ The Board (collectively) and Directors (individually) are aware of their obligation to act in accordance with the laws of the Country. ➲ Board Balance is maintained as the Code stipulates. ➲ Whilst there is a transparent procedure for Board Appointments under the oversight of the Nominations and Governance Committee, election and re-election, subject to shareholder approval, takes place at regular intervals. ➲ Specified information regarding Directors, such as annual appraisal of the Board and the CEO is shared in the Corporate Governance.

Directors' Remuneration	➲ The Human Resource and Compensation Committee, consisting of exclusively NEDs is responsible for determining the remuneration of Chairperson. ➲ ED compensation includes performance related elements in the pay structure. ➲ Compensation commitments in the event of early termination, determination of NED remuneration by the Board as a whole, remuneration policy and aggregate remuneration paid is disclosed under the Director Remuneration section and is in line with the Code.
Relations with Shareholders	➲ There is constructive use of the AGM, as per the Code. Notice of Meeting, with adequate details, is circulated to shareholders as per statute. ➲ The Group has in place multiple channels to reach shareholders as discussed under the Stakeholder Management and Effective Communication section. ➲ Disclosure of material transactions and requisite shareholder approvals for major transactions.
Accountability and Audit	➲ Interim and other price sensitive and statutorily mandated reports are disclosed to Regulators. As evident from the Annual Report of the Board of Directors, the Company carried out all business in accordance with regulations and Applicable Laws, equitably and fairly. ➲ The Company continues to be a going concern and remedial action for any material events is in place. All related party transactions are reported under the Notes to the Financial Statements. ➲ There is an annual review of the effectiveness of the Group's risk management and internal controls which ensures the maintenance of a sound system of internal control which is reported on under the Internal Controls section. ➲ The internal audit function and the Audit Committee functions as stipulated by the Code and are discussed under the Audit Committee section. ➲ A Related Party Transactions Review Committee is in place and functions in line with the Code. ➲ There were no violations of the Group Code of Conduct, the Code of Business Conduct and Ethics during the year, which is mentioned under the Chairperson's Message section. ➲ All Corporate Governance disclosures under the CSE rules have been complied with.
Institutional Investors	➲ The Company conducts regular and structured dialogue with shareholders based on a mutual understanding of objectives. This is done via the Investor Relations team and through the AGM or other General meetings as convened on a need basis.
Other Investors	➲ Individual shareholders investing directly in shares of the Company are encouraged to carry out adequate analysis and seek independent advice in all investing and/or divesting decisions. They are encouraged to participate at the AGM and any General meetings that are convened and to exercise their voting rights and seek clarity, whenever required.
Sustainability	➲ ESG (environmental, social, and governance) is a pivotal consideration in the Group's decision making. In reporting performance, the Annual Report covers ESG disclosures through the Integrated Reporting <IR> framework, GRI standards and operations in conformity with the Principles of the United Nations Global Compact and United Nations Sustainable Development Goals. ➲ The Company has established a governance framework and structure which includes conformance, performance and sustainability/ESG factors in line with the Code.
Internet and Cybersecurity	➲ The Board has prioritised cybersecurity by appointing a dedicated member responsible for overseeing it within the Group. The Company has implemented a group policy, conduct periodic reviews to ensure its effectiveness, discuss cybersecurity risks at the Board level, and disclose the management of risks in the Annual Report. Furthermore, measures have been taken to secure connectivity for both internal and external devices.
Special Considerations for Listed Entities	➲ The Company maintains policies relating to its governance and matters relating to Board of Directors in line with the Listing Rules of the CSE and the Code.

ENTERPRISE RISK MANAGEMENT

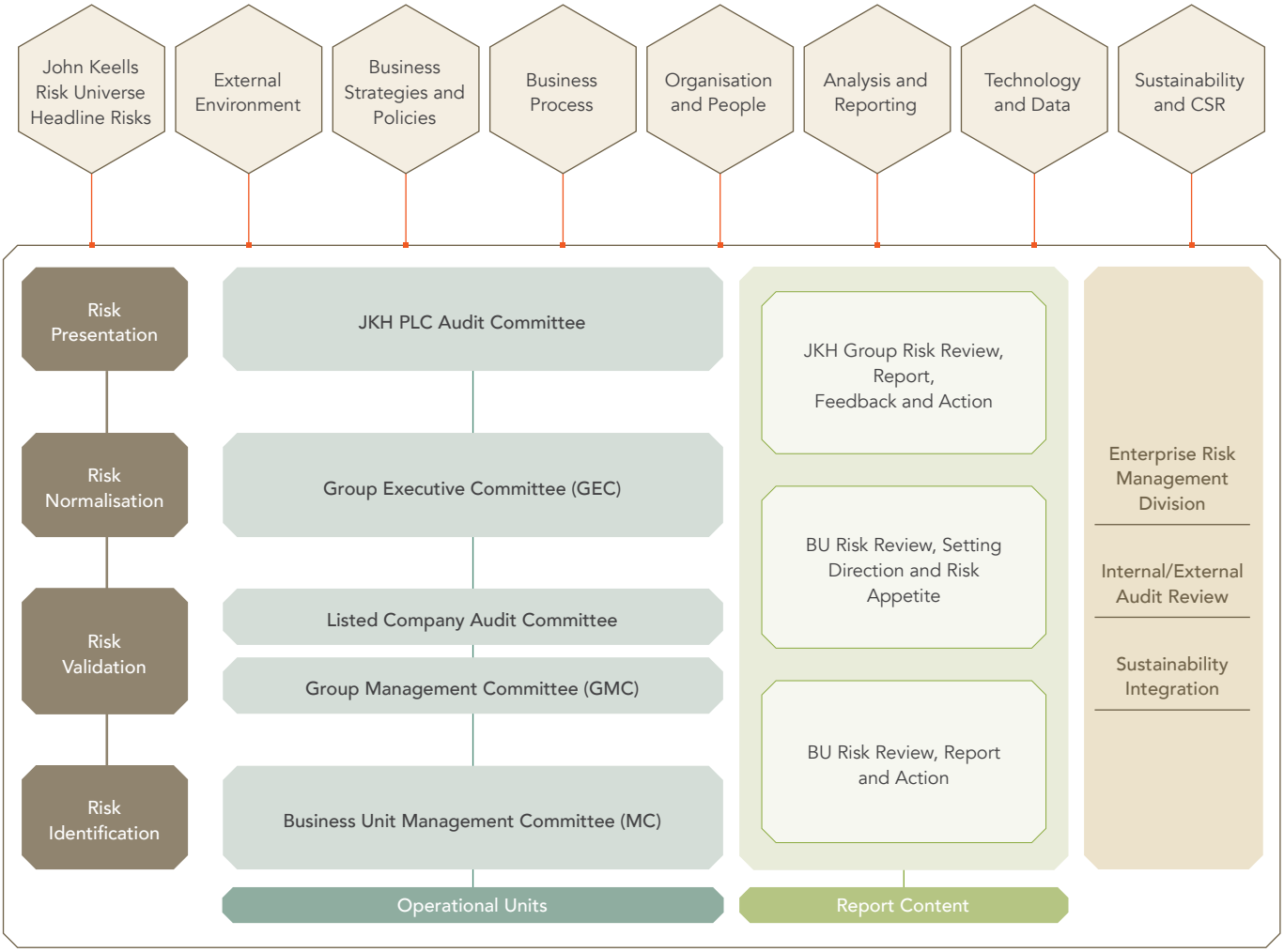
Risk management plays a pivotal role in the strategic decision-making process of the Group. A rigorous and consistent risk management culture is embedded across the Group, where an Annual Risk Management cycle begins with a detailed discussion with the Group Management Committees (GMC) on the identification of impact, likelihood and velocity of risks, along with preventive, detective and corrective mitigation plans of the identified risks. The Group assesses if the risk ratings reflect the changing macroeconomic and operating environments.

The entire Risk Management process is conducted through the online Enterprise Risk Management Platform which further enhances transparency and ownership of all risk-related responsibilities and ensures that risk management is a holistic and dynamic process.

Individual business units are the ultimate owners of their risks and are responsible for reviewing their risk assessment forms on a quarterly basis. Identified risks are then validated at the Group Management Committees (GMC) and presented to the Audit Committee.

The findings from Company-level risk reviews are considered by the JKH ERM Division to form a Group-wide risk perspective for the John Keells (JK) Group. The Group Risk Register is reviewed quarterly by the Group Executive Committee (GEC), following which the risk report is submitted by the JKH ERM Division to the JK Group Audit Committee on a quarterly basis. The Risk Management process and information flow adopted by the JK Group is depicted in Table 1.

TABLE 1 - JOHN KEELLS GROUP RISK MANAGEMENT PROCESS



The ERM Framework adopted by the John Keells Group and implemented by the Company and its Subsidiaries involves the following three steps:

I. Identification of Risk

A Risk Event - Any event with a degree of uncertainty which, if it occurs, may result in the Organisation or Business Unit failing to meet its stated objectives. The identified risks are classified as,

i. Common Risks - Common Risks are those risks which commonly appear on the risk grids of several companies of the John Keells Group. These risks are incorporated in the risk grid of the Group Executive Committee of JKH and are rated based on a consolidation of the risk ratings of such risks in the RCSAs of the constituent businesses.

ii. Business Specific Risks - Business Specific Risks are defined as those risks which are applicable only to an individual line of business.

iii. Core Sustainability Risks - Core Sustainability Risks are defined as those risks having a catastrophic impact to and from the Organisation but may have a very low or nil probability of occurrence. These are risks that threaten the sustainability or long-term viability of a business.

II. Establishment of Risk Register with Likelihood of Occurrence and Severity of Impact

Based on JK Group Guidelines, risk registers are established for the Company and its Subsidiaries. Every risk is analysed in terms of likelihood of occurrence and severity of impact, assigning a number ranging from 1 (low probability/impact) to 5 (high probability/impact) to signify the probability of occurrence and the level of impact on the Organisation. Please refer Table 2 for further details.

III. Establishment of Level of Risk based on the Risk Rating Grid

Based on the values assigned for each individual risk, using the matrix given in Table 2, a level of risk is established by multiplying the likelihood of occurrence with severity of impact.

TABLE 2 - GUIDELINE FOR RATING RISKS

Impact/Severity						
Catastrophic/ Extreme Impact	5	5	10	15	20	25
Major/Very High Impact	4	4	8	12	16	20
Moderate/ High Impact	3	3	6	9	12	15
Minor Impact	2	2	4	6	8	10
Low/ Insignificant Impact	1	1	2	3	4	5
		Rare/Remote to Occur	Unlikely to Occur	Possible to Occur	Likely to Occur	Almost Certain to Occur
		1	2	3	4	5
		Occurrence/Likelihood				

Priority Level	5	4	3	2	1
Colour Code	Ultra high	High	Medium	Low	Insignificant
Score	13-25	10-12	7-9	3-6	1-2

QUARTERLY REVIEW OF THE RISKS IDENTIFIED USING RISK FRAMEWORK BY THE GROUP

It is the responsibility of the President of each business unit to ensure that each risk item is tracked over the course of the year and that the mitigation actions identified during the risk review process are being carried out adequately. This results in a dynamic risk document that is updated based on the internal and external environment.

Risk Universe

The Group's risk universe allows categorisation of each risk identified and analysed into seven broad themes, allowing for consistency across businesses and industry groups, as defined by the JK Group. The risk universe of the CCS Group is tabulated in Table 3.

TABLE 3 - CCS RISK UNIVERSE

Headline Risk	External Environment	Business Strategies and Policies	Business Process	Organisation and People	Analysing and Reporting	Technology and Data	Sustainability and CSR
Related Risks	Political	Reputation and Brand Image	Internal Business Process	Leadership/ Talent Pipeline	Performance Measurement and Reporting	Technology Infrastructure/ Architectures	Sustainability Strategy
	Competitor	Governance	Operations – Planning, Production, Process	Training and Development	Budgeting/ Financial Planning	Technology Reliability and Recovery	Biodiversity and Climate Change
	Catastrophic Loss	Capital and Finance	Operations – Technology, Design, Execution, Continuity	Human Resources Policies and Procedures	Accounting/ Tax	Data Relevance, Processing and Integrity	Natural/ Sustainable Resource Utilisation
	Stakeholder Expectation	Strategy and Planning	Interdependency	Ethics	Internal/ External Reporting and Disclosure	Cyber Security	Community Investment and Philanthropy
	Macro-Economic	Business/ Product Portfolio	Customer Satisfaction	Fraud and Abuse		Information Technology Processes	Financing and Tax
	Foreign Exchange and Interest Rates	Organisation Structure	Legal, Regulatory, Compliance and Privacy	Attrition		Cloud Computing	Oversight/ Monitoring/ Compliance
	Weather and Climate	Innovation and R&D	Property and Equipment Damage and Breakdown	Knowledge and Intellectual Capital		Data Protection and Privacy	Goal Congruence/ Dependence
		Investment, Mergers, Acquisitions and Divestment	Vendor/Partner Reliance	Employee Relations and Welfare/Health and Safety			
		Treasury, Hedging and Insurance		Performance Management and Compensation			

Integrated Risk Management

The CCS Group's Risk Management strategy is closely interwoven with its sustainability management framework and corporate social responsibility functions, enabling a holistic approach to the management and mitigation of risk. Risk management therefore extends beyond managing the operational and financial risks faced by the Group, and extends to environmental, community, employee, value chain and other non-financial risks related to the triple bottom-line approach of the Group, providing a foundation for productive engagements with internal and external stakeholders.

New Developments in 2025/26

In accordance with SLFRS Sustainability Standards S1 and S2, the Group formally identified its sustainability-related and climate related risks and opportunities following an in-depth assessment of its lifecycle and value chain conducted with the assistance of an expert consultant.

The Identified sustainability-related and climate-related risks were then prioritised considering the likelihood of occurrence and its financial impact on the Group, applying the same approach used to assess operational and financial risks. Following this assessment, the Group's financially material sustainability-related and climate-related risks were integrated into risk registers to facilitate effective mitigation and monitoring.

Given that sustainability-related and climate-related risks are closely linked with business risks, this approach enabled a deeper understanding of these relationships, strengthening the Group's overall risk management and strategic decision-making processes.

Detailed disclosures on the Group's sustainability-related and climate related risks and opportunities are presented in SLFRS Sustainability Standards S1 and S2 Disclosures on page 184 of this Report.

Risk Management During the Reporting Year

Sri Lanka's economy showed relative stability in 2025, supported by fiscal reforms, debt restructuring, and the IMF-backed stabilisation programme. Inflation eased and external balances improved, gradually restoring confidence. However, consumer sentiment remained cautious, keeping discretionary spending low and intensifying competition in non-essential food categories. These conditions also reflected broader transition risks associated with economic reforms and energy price adjustments.

The industry faced several challenges during the year. Cyclone Ditwah and the subsequent monsoon conditions caused widespread infrastructure damage, prolonged road closures, and major power outages across multiple districts, disrupting distribution networks and business operations. Rising geopolitical tensions in the Middle East and the resulting volatility in global oil markets contributed to fuel rationing, supply constraints, and increased fuel, freight, and input costs, further constraining logistics and affecting the movement of goods. Higher domestic electricity tariffs and persistent supply chain disruptions also placed additional pressure on operations, alongside increasing exposure to physical climate-related disruptions.

In response to these evolving challenges, the Group strengthens its risk management framework, focusing on fiscal, regulatory, and market risks. Proactive measures were taken to strengthen resilience against external shocks, ensuring adaptability in a dynamic operating environment.

All high-level risks are reviewed by the Group Management Committee headed by the President of the Industry Group as a means of validating the Risk Management process at business unit level. The Group's online Enterprise Risk Management Platform enhances transparency and provides a dynamic risk register, which facilitates a more robust risk assessment in the quarterly risk reviews conducted by the Group. The significant risk areas that impact the achievement of the strategic business objectives of both the Manufacturing and Supermarket segments including Ceylon Cold Stores PLC (CCS), The Colombo Ice Company (Pvt) Ltd (CICL), Jaykay Marketing Services (Pvt) Ltd (JMSL) and LogiPark International (Pvt) Ltd (LPIL) and the measures taken to address these risks are discussed below;

MITIGATION STRATEGIES ADOPTED BY THE GROUP TO ADDRESS ITS RISK LANDSCAPE

The Group identified the following significant risks during the year. The risk rating for 2024/25 and 2025/26 and the mitigation strategies implemented by each Company have been provided to describe for each significant risk area identified.

Risk item	Impact on value creation	Risk mitigation strategy	Risk rating		Link to strategy
			2025/26	2024/25	
1 Macro-Economic Environment, Changes in Exchange Rate, Taxes and Tariffs.	➲ The Group's ability to create value is directly influenced by macro-economic conditions. Movements in key indicators such as exchange rates, inflation, and interest rates directly impact the cost base, while changes in disposable income levels affect demand and business volumes. ➲ Fuel prices increased cumulatively by approximately 36% as at March 2026, while electricity tariffs increased by 16% in June 2025, significantly increasing the Group's energy cost base. These developments have heightened exposure to energy price volatility. ➲ Reliance on imported materials further exposes the Group to exchange rate volatility, directly impacting raw material costs and supply stability.	➲ Continuous review of macro-economic developments and consumer behaviour through market surveys and ongoing engagement with regulators, financial institutions and related parties. ➲ Implementation of revenue optimisation initiatives aligned with consumer demand, alongside cost mitigation and productivity improvement strategies. ➲ Leveraging the support of the JKH Treasury Division to manage exchange rate risk, maintain buffer stocks of imported materials, arrange forex facilities for key raw materials, and undertake forward booking for foreign currency exposures. ➲ Evaluation and development of local supplier opportunities for key raw materials, including potential backward integration initiatives. ➲ Regular review of the regulatory tax landscape while maintaining full compliance. ➲ Active management and optimisation of finance costs through strategic relationships with multiple financial institutions.			

Ultra-High | High | Medium | Low | Insignificant

Risk item	Impact on value creation	Risk mitigation strategy	Risk rating 2025/26	Risk rating 2024/25	Link to strategy
2 Price Volatility of Key Materials **Link to:** **SRR1– Environmental and social impacts of sourcing ingredients** **CRR1/CRR2 – Acute risk (Climate physical risks)** **CRR3 – Chronic Risk (Climate physical risks)** *Please refer pages 186 to 209 for details on the business model and value chain impacts and related mitigation measures for the above CRR and SRRs.*	➲ The Manufacturing Sector's cost base is significantly impacted by volatility in raw material and packing material prices across both local and global markets. Global price increases in key inputs during the year affected the Confectionery category, while the scarcity of ginger in local markets led to increased costs in the Beverage category, reflecting exposure to supply chain disruptions arising from both acute climate events and longer-term changes in climatic conditions affecting agricultural yields. ➲ Additionally, geopolitical developments, including the conflict in the Middle East, led to significant increases in packing material costs and freight charges during March 2026, further exposing the Group to supply chain disruptions and associated logistics and energy-related cost pressures.	➲ Wherever possible, sought to enter into long- term agreements for key ingredients and packaging materials, without compromising quality and availability. ➲ Monitor world market prices of key materials, develop alternative local suppliers for raw materials to take advantage of available tariff benefits, and lobby for stable Government policies by maintaining ongoing dialogue with regulators and industry counterparts. ➲ Maintain optimal stock levels of essential raw materials and packaging materials to buffer against market volatility, ensuring stability in pricing and uninterrupted supply chain operations.	Medium	Medium	
3 Distributor Partner Relationship and Stability Risk **Link to:** **SRR2 – Food safety compliance** *Please refer pages 186 to 209 for details on the business model and value chain impacts and related mitigation measures for the above SRR.*	➲ The Manufacturing Sector's reliance on an extensive network of channel partners for the sale and distribution of its products increases exposure to risks arising from misalignment with the Company's operational requirements. Limited alignment may result in operational inefficiencies, reduced collaboration and engagement, and an increased risk of distributor attrition, ultimately impacting market coverage, brand presence, and overall business performance, while also affecting adherence to expected environmental and food safety standards across the supply chain.	➲ Provide targeted incentives and tailored support to distributors while maintaining transparent communication to strengthen compliance, engagement, and operational alignment. ➲ Conduct regular awareness programmes, training sessions, and ongoing support to help distributors clearly understand and comply with regulatory and legislative requirements. ➲ Simplify and streamline operational processes where possible to reduce administrative burden, improve efficiency, and enhance distributor willingness to align with Company practices. ➲ Extended targeted operational and recovery support to affected distributors following the Cyclone Ditwah incident to facilitate the timely restoration and stabilisation of distributor operations and strengthen continuity across the distribution network.	Medium	Medium	

Risk item	Impact on value creation	Risk mitigation strategy	Risk rating 2025/26	Risk rating 2024/25	Link to strategy
4 Natural Disasters and Fires **Link to:** **CRR1/CRR2 – Acute risk (Climate physical risks)** *Please refer pages 186 to 209 for details on the business model and value chain impacts and related mitigation measures for the above CRR.*	➲ The Manufacturing Sector's production locations and the Supermarket Sector's Distribution Centre and supermarket outlets are exposed to catastrophic events, including extreme weather events such as floods and storms, as well as fires, which may render facilities inoperable for extended periods and disrupt operations and supply continuity.	➲ Both the Manufacturing and Supermarket Sectors maintain comprehensive insurance coverage to mitigate such risks. Further, the Group has developed a new Business Continuity Plan (BCP) incorporating lessons learned from recent natural disaster events, including those arising from Cyclone Ditwah. ➲ The Group maintains infrastructure to detect and extinguish fires, conducts periodic fire drills, maintains registration with the fire brigade to ensure effective emergency response, and undergoes regular audits by independent experts on fire safety. ➲ The Supermarket Sector has developed multi-geography and multi-farmer sourcing networks to reduce dependence on any single region, while maintaining collection centres across multiple produce-growing regions.			
5 Human Resources, Labour Relations and Loss of Talent **Link to:** **SRR6 – Skilled labour availability and capability risk** *Please refer pages 186 to 209 for details on the business model and value chain impacts and related mitigation measures for the above SRR.*	➲ The Group may face operational disruptions arising from the potential loss of experienced employees and challenges in maintaining adequate skilled labour availability and capability. ➲ Approximately 98% (clerical and manual) of employees at the Manufacturing Sector's Ranala factory are members of trade unions. Therefore, weakened labour relations could lead to a significant increase in labour costs, operational disruptions, production downtime and adverse impact on the Group's reputation.	➲ Aligning Compensation and Benefits (C&B) structures and organisational culture with contemporary trends through a comprehensive Employee Value Proposition (EVP) aligned with the Group's People Promises, supported by a structured Group-wide EVP process conducted with a globally recognised consulting firm and employee engagement insights from the Gallup EmPulse survey. ➲ Investing in training, development, and succession planning for critical operational roles, with the Supermarket Sector enhancing training infrastructure, customised skills training, and career progression pathways, while the Manufacturing Sector strengthened innovation-led capability building and frontline engagement through programmes such as "Accelerating Innovation" and "Sales Connect". ➲ Maintaining cordial trade union relations while strengthening diversity, inclusion, and safety through initiatives such as the "She Rises – Self Care" programme and an occupational health and safety framework aligned with ISO 45001:2018 across all premises.			

Ultra-High | High | Medium | Low | Insignificant

Risk item	Impact on value creation	Risk mitigation strategy	Risk rating 2025/26	Risk rating 2024/25	Link to strategy
6 Health and Safety **Link to:** **SRR7 – Workplace health and safety** **CRR1/CRR2 – Acute risk (Climate physical risks)** *Please refer pages 186 to 209 for details on the business model and value chain impacts and related mitigation measures for the above CRR and SRR.*	➲ Ensuring staff health and safety remains a critical priority for the Group, as it directly influences operational continuity, productivity, cost efficiency, and overall employee well-being. ➲ Any deterioration in workplace safety standards, increased exposure to acute climate-related physical risks, or failures in managing environmental, social, food safety, and waste-related risks across operations and the supply chain could disrupt operations, lead to higher operating and insurance costs, and negatively affect workforce morale and retention. ➲ In the Supermarket Sector, injuries to third parties may negatively impact customer sentiment and result in legal and reputational consequences.	➲ The CCS Ranala and CICL Avissawella manufacturing plants have obtained the ISO 45001:2018 OHSMS certification, streamlined manufacturing and other processes, and continuously improve processes to ensure safe working conditions for employees. Compliance with established procedures is monitored through regular audits. ➲ Health and safety policies and procedures are in place and are steered by a Health and Safety committee and managed by a Health and Safety Officer of the Supermarket Sector.			
7 Ad hoc Amendments to the Regulatory Frameworks **Link to:** **SRR3 – Packaging lifecycle management** **SRR2 – Food safety compliance** **SRR5 - Waste management** *Please refer pages 186 to 209 for details on the business model and value chain impacts and related mitigation measures for the above SRRs.*	➲ Changes to the regulatory framework, including the introduction of Extended Producer Responsibility (EPR) requirements, as well as amendments to the Sri Lanka Food Act, particularly in relation to labelling and advertising, may impose additional compliance obligations across packaging, waste management, and product processes. ➲ These changes may increase compliance costs, require operational and product modifications, and affect market competitiveness. Any non-compliance may result in penalties, legal action, and reputational damage.	➲ Active engagement with regulators and industry bodies, together with continuous monitoring of the regulatory landscape and alignment of internal standards, including material specifications, with evolving regulatory requirements. ➲ Strengthening and expansion of a network of Material Recovery Facilities to support the collection and recycling of PET bottles, in line with the Group's voluntary commitments and evolving regulatory requirements. ➲ Maintaining optimised stock levels of labelling materials to enable flexibility in adapting to evolving regulatory and compliance requirements.			

Risk item	Impact on value creation	Risk mitigation strategy	Risk rating		Link to strategy
			2025/26	2024/25	
8 Product Liability Risk **Link to:** **SRR8 – Foodborne illness/ product contamination risk** **SRR2 – Food safety compliance** **SRR1 – Environmental and social impacts of sourcing ingredients** *Please refer pages 186 to 209 for details on the business model and value chain impacts and related mitigation measures for the above SRRs.*	➲ In the Manufacturing Sector, product liability risk arises from product faults, while in the Supermarket Sector, it arises from foodborne illness, product contamination, and the sale of expired items. Such incidents may result in legal and regulatory action, product recalls, reputational damage, operational disruptions, and financial losses, while adversely affecting consumer confidence and brand reputation.	➲ Alignment of manufacturing processes with regulatory requirements and international certifications, including ISO 9001:2015, ISO 22000:2018, and Good Manufacturing Practices (GMP), supported by comprehensive quality assurance processes, regular internal and external audits, and adherence to stringent food safety standards. ➲ Integrated customer complaint management and product recall processes, supported by traceability systems, communication protocols, and Digital Crisis Management Plans, to ensure timely response, resolution, and effective incident management. ➲ The Group maintains a robust quality assurance framework, supported by qualified specialists and aligned with international benchmarks, to ensure compliance of all product and process innovations with applicable regulatory, health, and nutritional requirements. ➲ The Supermarket Sector maintains comprehensive food safety procedures, including expiry tracking, temperature monitoring, and quality controls across the value chain, supported by internal audits and corrective actions, with oversight provided by a Food Safety Officer and Food Safety Committee to ensure compliance and address identified gaps.			
9 Credit Risk	➲ The Manufacturing Sector extends credit facilities to customers and distributors in line with industry norms. This practice exposes the Group to potential payment defaults, which could lead to increased operational costs arising from bad debts.	➲ Continuous monitoring of customers' exposure limits. ➲ Weekly and monthly debtor reviews. ➲ Maintained bank guarantees and periodically increased guarantee requirements in line with business growth to minimise exposure.			

Ultra-High | High | Medium | Low | Insignificant

Risk item	Impact on value creation	Risk mitigation strategy	Risk rating		Link to strategy
			2025/26	2024/25	
10 Vulnerabilities from IT Related Risks (Cyber Risk) **Link to:** **SRR9 – Inadequate data privacy protection** *Please refer pages 186 to 209 for details on the business model and value chain impacts and related mitigation measures for the above SRR.*	➲ The Group's reliance on IT systems and digital services inevitably exposes it to risks relating to data privacy protection, cybersecurity, and other IT-related threats. ➲ Digitalisation and increased connectivity to company networks give rise to potential risks associated with network security, information leakage, and device stability, which may compromise the confidentiality and integrity of sensitive data. ➲ Reliance on cloud infrastructure and data increases the risk of unauthorised access and non-compliance with data protection requirements, while potential downtime could disrupt Group operations. ➲ Data governance and protection risks arising from the rapid adoption of generative artificial intelligence may further expose the Group to data privacy and ethical risks. ➲ Compliance risks related to domestic and international data protection laws, such as the Personal Data Protection Act No. 9 of 2022 and the European Union's General Data Protection Regulation (2016), may impact stakeholder confidence, affect digital transformation initiatives, and result in potential legal and regulatory consequences.	➲ Strengthening cybersecurity governance and compliance through close collaboration with JKH Group IT, implementation and validation of Zero Trust security policies, completion of feasible audit recommendations, and regular compliance monitoring and reporting to management. ➲ Enhancing IT security controls and governance visibility through initiatives such as Local Administrator Password Solution (LAPS) implementation, continuous monitoring of endpoint and access controls, and proactive identification, escalation, and remediation of compliance gaps. ➲ Conducting internal and external security assessments across applications, networks, and cloud environments, including vulnerability assessments, Centre for Internet Security (CIS) maturity evaluations, and application security reviews, to support timely identification and remediation of cybersecurity risks. ➲ Maintaining effective security incident management and strengthening cybersecurity awareness through timely incident resolution, digital security training programmes, phishing preparedness initiatives, and targeted awareness programmes to improve sensitivity to information security and data privacy risks.			

ENTERPRISE RISK MANAGEMENT

Ultra-High | High | Medium | Low | Insignificant

Risk item	Impact on value creation	Risk mitigation strategy	Risk rating 2025/26	Risk rating 2024/25	Link to strategy
11 Supply Chain Risks, Supplier Stability Dependency and Capability Challenges **Link to:** **SRR1 – Environmental and social impacts of sourcing ingredients** *Please refer pages 186 to 209 for details on the business model and value chain impacts and related mitigation measures for the above SRR.*	➲ Supplier instability, regulatory non-compliance, and operational inefficiencies may disrupt the uninterrupted supply of key inputs within the Manufacturing Sector, leading to production stoppages, delivery delays, financial setbacks, and reduced customer satisfaction. Further, reliance on a limited supplier base increases quality-related risks, potentially compromising brand integrity and long-term sustainability. ➲ In the Supermarket Sector, supplier limitations in supporting expansion initiatives, including delays, quality issues, and inefficiencies, may hinder growth and operational execution.	➲ Periodic supplier audits to ensure regulatory compliance with labour, health and safety and environmental requirements while upholding ethical business practices. ➲ Regular supplier engagement to facilitate proactive risk mitigation, strengthen transparency and foster long-term partnerships. ➲ Engaged with multiple suppliers of key inputs to ensure supply continuity and mitigate potential disruptions. ➲ Optimised stock levels and buffer inventory to prevent shortages and safeguard operational stability. ➲ Investment in local supplier and farmer development for critical raw materials reduces dependency on imports and fosters supply chain resilience. ➲ Sustainable sourcing practices that respect local communities and promote long-term socio-economic development.	Medium	Medium	
12 Environmental Implications arising from Effluent Water Discharge and Ammonia Leaks **Link to:** **SRR4 – Water and wastewater management** *Please refer pages 186 to 209 for details on the business model and value chain impacts and related mitigation measures for the above SRR.*	➲ The Manufacturing Sector is exposed to environmental risks arising from water discharge, waste disposal, and potential ammonia leaks into the surrounding environment. These exposures also relate to broader climate and sustainability risk areas, including physical climate risks and environmental management obligations. ➲ Failure to effectively manage these risks may result in regulatory scrutiny, reputational damage, erosion of stakeholder trust, and prolonged operational and financial consequences.	➲ Implementation and continuous enhancement of a comprehensive environmental management framework aligned with the John Keells Group, including targets to reduce energy, water, and carbon intensity, supported by certification to the ISO 14001:2015 Environmental Management System. ➲ Continuous monitoring of influent and effluent parameters through upgraded effluent and sewage treatment facilities, together with regular wastewater quality testing through accredited laboratories to ensure compliance with Chemical Oxygen Demand (COD) and Biochemical Oxygen Demand (BOD) standards stipulated under the Environmental Protection License (EPL). ➲ Installation and maintenance of ammonia leak detection and containment systems, supported by ongoing employee training and emergency response drills to ensure preparedness and rapid incident response.	Low	Low	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SLFRS S1 AND S2 RELATED FINANCIAL DISCLOSURES

Reporting entity

This Report has been prepared for Ceylon Cold Stores PLC and its Subsidiaries, JayKay Marketing Services (Pvt) Ltd (JMSL), The Colombo Ice Company (Pvt) Ltd (CICL) and LogiPark International (Pvt) Ltd (LPIL), collectively referred to as the 'Group'. Accordingly, this Report should be read in conjunction with the Group's consolidated financial statements.

Statement of Compliance

The Report has been prepared in accordance with SLFRS Sustainability Standards S1 and S2 as issued by CA Sri Lanka which is the localised version of the IFRS Sustainability Standards S1 and S2 issued by the International Sustainability Standards Boards. (ISSB)

Connectivity

The Report presents the Group's sustainability related financial disclosures in alignment with the requirements of the SLFRS Sustainability Standards S1 and S2 for the financial year ended 31st March 2026. This aligns with the reporting period of Group's consolidated financial statements.

This Report draws on information presented in other sections of this Integrated Annual Report, including the value creation model presented on page 64 & 65, a presentation of the value chains of the Manufacturing and Supermarket Sectors on page 48 and the financial statements, to present a cohesive view of how relevant Sustainability Related Risks and Opportunities (SRROs) and Climate Related Risks and Opportunities (CRROs) could impact the Group's financial position, performance and cash flows over the short, medium and long term. Where applicable, quantitative sustainability-related metrics are directly connected and cross-referenced to relevant financial statement line items, such as energy costs, provisions and capital expenditure on decarbonisation initiatives.

Functional and Presentation Currency

Sustainability-related financial disclosures are presented in Sri Lankan Rupees. All amounts have been rounded to the nearest thousand, unless otherwise stated.

Sources of Guidance

In preparing its sustainability-related financial disclosures, the Group has referred to, and considered, the applicability of disclosure topics and metrics in the following standards

- SLFRS Sustainability Standards S1
- SLFRS Sustainability Standards S2
- SASB Standards for
  - Non-Alcoholic Beverages
  - Processed Foods
  - Meat, Poultry and Dairy
  - Food retailers and distributors
  - Air freight and logistics

Transition Relief

In preparing this Report, the Group has availed transition relief applicable to first time reporters as follows,

- No comparative information on CRROs and SRROs for the previous reporting period is provided.
- Scope 3 emissions are not disclosed.
- Information on quantitative anticipated effects are not disclosed.

Proportional Reliefs

In applying the proportionality provisions of SLFRS S1 and S2, the Group has not undertaken climate-related scenario analysis for the financial year ended 31 March 2026. The sustainability-related financial disclosures have been prepared based on available information, existing risk assessments, and management judgement, proportionate to the Group's data availability, systems, and analytical capabilities. Climate scenario analysis will be considered in future reporting periods as capabilities develop.

Non-adjusting Events After The Reporting Period

No non-adjusting events took place after the reporting period.

Definitions of Time Horizons

The Group defines its planning horizons as follows

- Short-term - <1year
- Medium term - 1-5 years
- Long-term - >5 years

Assumptions, Judgements and Estimates

Key assumptions, judgements and estimates used for the Group's sustainability related financial disclosures are detailed in the Metrics section of this Report.

Judgements and Uncertainties

The preparation and presentation of this sustainability report involves the application of judgement to determine relevant, reliable and decision-useful information. This includes interpreting reporting requirements and making informed decisions in areas where the standards allow flexibility. The table below summarises key judgements applied.

Topic	Description
Materiality assessment	To identify relevant risks, opportunities, and material information, the Group applied professional judgement to evaluate impacts and dependencies across its value chain that could reasonably influence its strategy, business model, or financial position and performance. A formal financial materiality assessment was not conducted. Instead, the determination of material matters was based on management judgement.

Measurement Uncertainty

Measurement uncertainty in this Report arises from data gaps, reliance on proxy information, external factors and forward-looking information. The table below summarises the main sources of measurement uncertainty affecting the amounts disclosed in this Report.

Topic	Description
Resilience assessment	Forward-looking disclosures on transition risks rely on assumptions about future carbon taxes, which are highly uncertain and subject to regulatory changes. Outcomes are highly sensitive to price assumptions, with a potential range of CU20–40/tCO2e depending on the jurisdiction.

GOVERNANCE

In line with the Group's evolving sustainability agenda and the increasing focus on structured oversight of sustainability and climate related matters, the ESG and Sustainability Steering Committee was established to provide a dedicated JKH Group-level forum to coordinate, monitor and guide sustainability and climate related initiatives across sectors. The Committee brings together cross-functional expertise and serves as the primary conduit between sector-level management, the Group Executive Committee and the Board, supporting consistent oversight, informed decision-making and effective escalation of material sustainability impacts, risks and opportunities.

Sustainability Governance

Refer Sustainability Governance sub-section of the Corporate Governance section of this Report for information on; Governance: roles, mandates, procedures, The Board, Group Executive Committee, ESG and Sustainability Steering Committee, Management's Responsibilities and Role, Integration into Strategy and Decisions, and Targets, Monitoring, and Remuneration - Pages 148 to 155.

SUMMARY OF SRROS AND CRROS

The CCS Group's material sustainability related and climate related risks and opportunities and mitigation strategies are summarised below.

Type	Sector	No	Definition
Risks	Manufacturing Sector	CRR 1	Acute risk: Climate Physical Risk
	Supermarket Sector	CRR 2	Acute risk: Climate Physical Risk
	Manufacturing Sector	CRR 3	Chronic risk: Climate Physical Risk
		CRR 4	GHG Emissions & Energy Management
		SRR 1	Environmental and Social Impacts of Sourcing Ingredients
		SRR2	Food Safety Compliance
		SRR3	Packaging Lifecycle Management
		SRR4	Water and Wastewater Management
		SRR5	Waste Management
		SRR6	Skilled Labour Availability and Capability Risk
	Supermarket Sector	SRR7	Workplace Health and Safety
		SRR8	Foodborne Illness/ Product Contamination Risk
		SRR9	Inadequate Data Privacy Protection
Opportunities	Manufacturing Sector	CRO 1	Climate Focused Projects and Cold-Chain Strengthening
		CRO 2	Energy Efficiency and Low-Carbon Operations
		SRO 1	Sustainable Water Governance and Recycling Systems
		SRO 2	Circular Packaging and Waste Reduction Solutions
		SRO 3	Responsible and Resilient Ingredient Sourcing
		SRO 4	Food Safety, Traceability and Quality Leadership
		SRO 5	Workforce Capability Development and Technology Integration Readiness
	Supermarket Sector	SRO 6	Enhanced Quality Management for Waste Reduction
		SRO 7	Resilient Infrastructure Investment
		SRO 8	Cybersecurity Maturity and Digital Transformation Enablement

***CRR** - Climate Related Risk* ***SRR** - Sustainability Related Risk* ***CRO** - Climate Related Opportunity* ***SRO** - Sustainability Related Opportunity*

SLFRS S1 AND S2 RELATED FINANCIAL DISCLOSURES

STRATEGY

Time horizons:	Short term: **< 1 year**	Medium term: **1-5 years**	Long term: **> 5 years**

Climate Related Risk Management

CRR1 - ACUTE RISK (CLIMATE PHYSICAL RISK)	
Manufacturing Sector	
Description	Severe weather events such as heavy rain, flash floods, cyclones, lightning, heatwaves, and strong winds can disrupt operations by damaging facilities, warehouses, and cold rooms, interrupting utilities, delaying logistics, and creating safety risks. These events can also affect raw material handling, reduce operational uptime, increase repair costs and weaken supplier and distribution reliability.
Risk type	Physical risk
Time horizon	
Affected area	➲ Manufacturing plants as operations may be disrupted in the event of extreme weather events. ➲ Warehouses as inventory may be damaged due to extreme weather conditions. ➲ Sourcing facilities and distribution facilities as delays may occur.
Business Model and Value Chain Impacts	
Current and anticipated effects on the business model and value chain	Acute climate events such as floods, cyclones and lightning currently disrupt operations, increase costs and cause inventory losses and short term sales volatility across the business model and value chain. Looking ahead, these disruptions are expected to lead to reduced labour productivity, higher asset impairment risk, rising insurance costs, recurring downtime and structurally higher resilience related capital expenditure. Across the value chain, these hazards are anticipated to cause recurring asset damage and escalating insurance costs.
Concentration of the risk	Within the business model, acute climate risk is most concentrated in manufacturing plants, warehouses, sourcing facilities and distribution facilities and routes, where weather driven disruptions directly affect production, storage and logistics. Across the value chain, the highest exposure lies in manufacturing, warehousing, and sales and distribution activities, as these depend on uninterrupted operations, stable infrastructure, and timely transport, making them highly sensitive to flooding, storms, and related climate hazards.
Strategy and Decision Making	
Current effects to the business model	Acute climate events are driving continuous updates to business continuity plans, infrastructure resilience measures and physical controls such as monitoring systems, temperature loggers and freezer upgrades. Frequent disruptions to manufacturing, cold chain logistics and distribution require rapid redeployment of spending toward emergency repairs, backup power, rerouting and inventory protection, prompting ongoing adjustments in operational strategy and insurance coverage optimisation.
Anticipated changes to the business model	Acute climate disruptions are already driving continuous refinements to business continuity plans, infrastructure resilience measures, and physical controls such as monitoring systems, temperature loggers, and freezer upgrades. These events require rapid budget reallocation toward repairs, backup power, rerouting, and inventory protection. Looking ahead, strategy will increasingly prioritise climate trend intelligence, enhanced monitoring and mechanical controls, supplier and plant diversification, and strengthened insurance schemes as climate volatility intensifies.
Current and anticipated direct mitigation & adaptation efforts	Current efforts focus on continuous strengthening of Business Continuity Plans (BCPs), infrastructure resilience upgrades, physical and mechanical controls such as monitoring systems, temperature loggers and freezer improvements, along with optimised insurance coverage. Emergency response, contingency planning, backup generators and preventive maintenance support rapid recovery during extreme weather. Over time, these measures are expected to expand through climate trend intelligence systems, enhanced monitoring and mechanical controls, supplier and plant diversification and climate informed capital planning. Anticipated adaptation efforts also include improved predictive maintenance and refined site level procedures to minimise downtime and maintain long term operational continuity.

Current and anticipated indirect mitigation & adaptation efforts		Current indirect efforts focus on coordination with logistics providers, utilities, insurers and external infrastructure partners to manage service interruptions and support operational continuity during climate events. Over time, these efforts are expected to expand through deeper engagement with insurers, utilities and local authorities, alongside a shift toward risk and condition-based maintenance for climate exposed assets. Future adaptation will rely on strengthened external recovery mechanisms and collaboration with distributors and customers to ensure rapid continuity after severe weather disruptions.
Financial position, financial performance, cash flows and cost of capital		
Impact on Financial Position		
Current impact		Asset damage leading to inventory write offs and the recognition of provisions for repairs.
Anticipated impacts	Short term	Asset damage, inventory write offs, and recognition of related provisions.
	Medium term	Replacement and protection related capital expenditure, including reinforced structures, upgraded refrigeration systems and drainage improvements. These resilient investments increase non current assets but also elevate capital commitments and maintenance obligations.
	Long term	Asset impairment or relocation as repeatedly affected sites become less viable. Persistent exposure can lead to accelerated depreciation or impairment of electrical and refrigeration assets, and reduced recoverable values for non resilient infrastructure.
Impact on Financial Performance		
Current impact		Costs associated with asset repairs, production downtime and lost sales, impacts on human capital, and logistics disruptions.
Anticipated impacts	Short term	Financial performance may weaken due to repair costs, lost production volumes, reduced sales during downtime, logistics disruptions and short term impacts on workforce availability. These immediate operational setbacks can temporarily pressure margins and increase cost to serve.
	Medium term	Financial performance may be affected by higher repair, maintenance, sourcing, logistics and spoilage costs as weather related disruptions become more frequent. These recurring expenses can erode operating margins and create greater variability in production and distribution efficiency.
	Long term	Financial performance may experience structurally higher maintenance and resilience related costs, along with the risk of sustained margin erosion if repeated climate events continue to disrupt operations, reduce product availability or weaken customer confidence over time.
Impact on Cash Flows		
Current impact		Immediate repair, remediation, and emergency logistics outflows.
Anticipated impacts	Short term	Cash outflows may increase due to immediate repair and replacement costs, emergency logistics costs and temporary spending on remediation and water sourcing during climate driven disruptions.
	Medium term	Higher operating cash needs as recurring climate related maintenance, sourcing adjustments and resilience upgrades increase routine outflows. Weather related production or distribution disruptions may also temporarily reduce operating inflows.
	Long term	Impacts may create structural cashflow strain if repeated climate events require ongoing resilience investments, major infrastructure upgrades or asset relocations.
Impact on Cost of Capital		
Current impact		No significant immediate impacts have been identified.
Anticipated impacts	Short term	Emergency cash needs may increase dependence on short term borrowing.
	Medium term	Potential modest increase in cost of capital due to heightened risk pricing.
	Long term	Sustained exposure to acute climate events may result in a higher cost of capital if risks remain unmitigated.

SLFRS S1 AND S2 RELATED FINANCIAL DISCLOSURES

CRR2 – ACUTE RISK (CLIMATE PHYSICAL RISK)	
Supermarket Sector	
Description	Natural disasters such as floods, storms, and landslides may cause physical damage to the distribution centre. This can lead to operational downtime, inventory loss, disruptions to customer service, costly repairs, safety hazards, and financial losses across the supply chain.
Risk type	Physical risk
Time horizon	
Affected area	➲ Distribution Centre (DC) ➲ Supermarket Outlets
Business Model and Value Chain Impacts	
Current and anticipated effects on the business model and value chain	Natural disasters can damage buildings, equipment, systems, and inventory, triggering insurance claims with deductibles, exclusions, and delayed settlement. If the Distribution Centre (DC) is inoperable, supply to the retail network will be disrupted, requiring emergency outsourcing, temporary warehousing, and rerouted logistics that raise distribution costs. Clean up, repairs, and urgent asset and inventory replacement create substantial cash demands and working capital pressure, aggravated by delayed insurance recoveries. Rebuilding or strengthening the distribution network requires major capital investment, increases asset intensity, and may necessitate secondary capacity. Higher insurance premiums, additional maintenance, duplicated logistics, and resilience related capital expenditure elevates the long term cost base and constrains financial flexibility.
Concentration of the risk	The risk is primarily concentrated within distribution and retail operations, including distribution centres, where physical damage from natural disasters may affect property, inventory, and working capital. Exposure also extends to retail operations, where damage to facilities and disruptions to property management and logistics can interrupt operations, impact inventory availability, and increase recovery and replenishment costs.
Strategy and Decision Making	
Current effects to the business model	Natural disaster events cause temporary closures of the Kerawalapitiya Distribution Centre, and supermarket outlets, resulting in inventory losses, repair requirements, and increased working capital needs. Disruption to the Distribution Centre interrupts supply to the retail network, forcing emergency adjustments in warehousing and logistics operations.
Anticipated changes to the business model	Climate related events are driving shifts toward stronger, climate resilient distribution infrastructure and greater operational obsolescence. This may include redesigning the DC, upgrading physical assets to withstand extreme weather, and evaluating the need for secondary or backup distribution capacity to reduce reliance on a single location.
Current and anticipated direct mitigation & adaptation efforts	Current mitigation includes maintaining a comprehensive and up to date BCP/Distribution Route (DR) plan for all outlets and the distribution centre, along with regular emergency response and evacuation training for store and Distribution Centre teams. Adaptation efforts include annual reviews of the BCP/DR framework, completion of simulation and desktop drills, and reinforcing emergency response capabilities through periodic training across the network.
Current and anticipated indirect mitigation & adaptation efforts	Indirect mitigation efforts focus on strengthening the Sector's financial resilience to natural disaster–related risks. These indirect measures support the Sector's ability to recover financially from physical climate impacts and provide a buffer against volatility that may arise from operational disruptions.

Financial position, financial performance, cash flows and cost of capital		
Impact on Financial Position		
Current impact		Emergency remediation, repair, and continuity related cash outflows incurred from time to time.
Anticipated impacts	Short term	May give rise to significant impairment or write offs of buildings, racking, equipment, systems, and inventory at the Kerawalapitiya Distribution Centre. While the Sector has access to insurance, this is subject to deductibles, exclusions, and delayed settlement.
	Medium term	Rebuilding, relocating, or strengthening the Distribution Centre requires substantial capital expenditure, increasing the asset base through climate resilient redesign. Higher insured values lead to increased insurance related prepayments.
	Long term	Resilience requirements increase fixed asset intensity and may necessitate secondary distribution capacity, creating ongoing balance sheet exposure due to reliance on a single primary Distribution Centre.
Impact on Financial Performance		
Current impact		Incident related costs and temporary disruptions may affect operating performance.
Anticipated impacts	Short term	Business interruption reduces the ability to supply the retail network, while emergency outsourcing, temporary warehousing, and logistics rerouting increase cost of sales. Clean up, repairs, and crisis response activities elevate operating expenses.
	Medium term	Higher insurance premiums, increased maintenance needs, duplicated logistics arrangements, and resilience driven capital investments increase depreciation and operating costs, putting pressure on margins.
	Long term	If climate disruptions persist, structural margin compression may occur, with higher baseline operating costs embedded into the overall distribution costs.
Impact on Cash Flows		
Current impact		Emergency remediation, repair, and continuity related cash outflows incurred from time to time.
Anticipated impacts	Short term	Immediate cash outflows arise for asset replacement, facility repairs, and inventory replenishment. Working capital pressure increases due to emergency procurement and higher safety stock requirements, while delayed insurance recoveries widen cash flow gaps.
	Medium term	Ongoing resilience related capital expenditure and potential dual distribution arrangements reduce operating cash flows. Higher structural working capital needs may require increased reliance on short term funding or contingency credit lines.
	Long term	Increased capital intensity lowers sustainable free cash flow generation and heightens cash flow volatility during severe climate events, reducing overall financial flexibility.
Impact on Cost of Capital		
Current impact		No immediate impact on the cost of capital identified.
Anticipated impacts	Short term	Emergency cash needs may increase dependence on short term borrowing.
	Medium term	The Sector's elevated risk profile and increased capital requirements for resilience investments may raise the cost of borrowing.
	Long term	Higher capital intensity, continued exposure to climate risks, and reduced free cash flow generation may result in a structurally higher cost of capital and influence long-term financing terms.

SLFRS S1 AND S2 RELATED FINANCIAL DISCLOSURES

CRR3 – CHRONIC RISK (CLIMATE PHYSICAL RISK) Manufacturing Sector	
Description	Rising ambient temperatures increase refrigeration energy demand and spoilage risk, placing sustained stress on cold-chain assets.
Risk type	Physical Risk
Time horizon	
Affected area	➲ Manufacturing plants as production processes may be disrupted given heat stress. ➲ Warehouses as inventory may be spoiled due to extreme temperatures. ➲ Sourcing facilities, and the cold chain.
Business Model and Value Chain Impacts	
Current and anticipated effects on the business model and value chain	Climate change and rising temperatures may cause operational disruptions, including impacts on cold-chain stability, higher energy sourcing and operating costs, inventory losses. These effects may also result in reduced labour productivity, increased insurance premiums, recurring operational downtime, and structurally higher maintenance, resilience, and capital expenditure requirements. Gradual climate changes and sustained temperature increases may further lead to recurring asset damage, continued insurance cost escalation, and ongoing investments in resilience and adaptation measures.
Concentration of the risk	This risk is concentrated in sourcing facilities, manufacturing plants, cold chain assets, warehousing, and distribution routes, where weather exposure directly affects physical assets, production continuity and transport reliability.
Strategy and Decision Making	
Current effects to the business model	Chronic physical climate risks, including sustained increases in temperature and changing climate patterns, may disrupt manufacturing operations, cold chain logistics, and distribution networks over time. These impacts may require ongoing reallocation of operating expenditure toward asset repairs, enhanced cooling and backup power solutions, logistics adjustments, resulting in reduced operational efficiency and a structurally higher cost to serve.
Anticipated changes to the business model	CCS allocates operating expenditure toward rapid repairs, logistics rerouting, and maintaining backup power to ensure cold chain continuity during extreme weather events. Over time, the business model will gradually shift toward climate resilient site planning, increased redundancy in cold chain systems, and reallocation of capital toward infrastructure designed to withstand more frequent climate shocks. Anticipated changes include resilience driven capex, and a transition from time based to risk and condition based maintenance models for climate exposed assets.
Current and anticipated direct mitigation & adaptation efforts	At present, physical controls such as strengthened BCPs, temperature monitoring systems, freezer upgrades, insurance coverage optimisation, and emergency response protocols help minimise disruption severity. Contingency actions such as temporary facility shutdowns, logistics rerouting, asset protection steps, and rapid recovery measures are implemented during acute climate events. Backup generators and preventive maintenance programs support continuity in critical operations.
Current and anticipated indirect mitigation & adaptation efforts	Indirect efforts include supplier coordination for climate resilient sourcing, enhanced communication with logistics partners, and embedding BCP aligned expectations into supplier and distributor engagement. Over time, Manufacturing Sector anticipates integrating climate risk awareness into procurement decisions, strengthening insurance arrangements and supporting suppliers to improve their own climate preparedness.

Financial position, financial performance, cash flows and cost of capital		
Impact on Financial Position		
Current impact		No material impacts have been identified.
Anticipated impacts	Short term	Asset damage, inventory write offs and repair related provisions.
	Medium term	Replacement and protection related capital expenditure may be required to reinforce climate exposed facilities and equipment.
	Long term	Asset impairment or relocation risk, increased asset vulnerability, and accelerated depreciation or impairment of electrical and refrigeration assets may arise in the event of repeated climate exposure.
Impact on Financial Performance		
Current impact		No material impacts have been identified.
Anticipated impacts	Short term	Repair costs, lost production volumes, sales losses and logistics disruption expenses reduce profitability.
	Medium term	Higher repair, maintenance, sourcing, logistics and spoilage costs as weather related disruptions become more frequent leading to sustained margin pressure variability in production and distribution efficiency.
	Long term	Structural increase in maintenance costs, and spoilages with potential long term pressure on operating margins.
Impact on Cash Flows		
Current impact		No material impacts have been identified.
Anticipated impacts	Short term	Cash flows may come under pressure due to immediate repair and replacement outflows, emergency logistics costs and temporary spending on remediation and water sourcing during climate driven disruptions.
	Medium term	Higher operating cash needs as recurring climate related maintenance, sourcing adjustments and resilience upgrades increase routine outflows. Weather related production or distribution disruptions may also temporarily reduce operating inflows.
	Long term	Sustained cash flow volatility during periods of extreme weather.
Impact on Cost of Capital		
Current impact		No significant immediate impacts have been identified.
Anticipated impacts	Short term	No material impact on cost of capital is anticipated.
	Medium term	Potential modest increase in cost of capital driven by heightened risk perception, insurance costs and lender pricing.
	Long term	Persistent chronic physical climate risks may lead to a higher cost of capital due to increased asset vulnerability and sustained investor and lender risk perception.

SLFRS S1 AND S2 RELATED FINANCIAL DISCLOSURES

CRR4 - GHG EMISSIONS & ENERGY MANAGEMENT	
Manufacturing Sector	
Description	Elevated energy intensity exposes the Sector to higher operating costs while increased GHG emissions may attract regulatory and investor pressure to decarbonise. If not effectively managed, this risk could weaken the Sector's long-term competitiveness.
Risk type	Transition risk
Time horizon	
Affected area	➲ Manufacturing plants and utilities ➲ Cold-chain infrastructure ➲ Refrigeration assets ➲ Distribution vehicles
Business Model and Value Chain Impacts	
Current and anticipated effects on the business model and value chain	High energy intensity and grid instability presently heightens operational costs and increases vulnerability to outages across energy dependent operations. Manufacturing utilities, cold chain systems and logistics operations experience efficiency losses, cost escalations and increased reliance on backup energy sources. Over time, Manufacturing Sector expects greater regulatory scrutiny, higher energy transition compliance requirements and rising energy prices, which will change investment priorities toward energy efficient equipment and low emission technologies. Long term operating costs and supply chain dependencies will both be reshaped by the energy transition landscape.
Concentration of the risk	This risk is concentrated in energy intensive manufacturing utilities, refrigeration and cold chain systems, and fuel dependent logistics operations, all of which materially impact costs, operational continuity and emissions intensity.
Strategy and Decision Making	
Current effects to the business model	High energy intensity, rising energy costs and exposure to grid instability currently affect manufacturing utilities, refrigeration assets and fleet operations. Energy interruptions lead to operational delays, increased generator use, and elevated cost pressures across manufacturing and distribution.
Anticipated changes to the business model	The business model incorporates operational adjustments during energy supply fluctuations. Anticipated changes include transitioning to more energy efficient equipment, increasing automation in energy management, and modifying sourcing and logistics structures to align with long term energy transition and emission reduction pathways.
Current and anticipated direct mitigation & adaptation efforts	Current direct efforts include energy efficiency projects, refrigeration optimisation, expanded monitoring of energy usage across utilities and cold chain equipment, facing out GHG refrigerants with environment friendly ammonia or CO_2, implementation of ISO 50001 - energy management system in manufacturing plants, and operational contingency processes including timely updated BCPs. Anticipated direct measures include upgrading high consumption equipment, integrating low carbon refrigeration solutions and adopting advanced energy monitoring systems to continuously optimise usage.
Current and anticipated indirect mitigation & adaptation efforts	Indirect efforts involve collaborating with energy suppliers, improving data transparency on consumption, and adopting procurement practices that encourage more energy efficient supplier operations. Further, all 3rd party suppliers are covered under service agreements, covering GHG emissions & energy related aspects, along with periodic supplier audits. Future indirect measures include engaging technology partners for low carbon solutions, working with logistics partners to enhance fuel efficiency and exploring long term renewable energy sourcing frameworks.

Financial position, financial performance, cash flows and cost of capital		
Impact on Financial Position		
Current impact		Higher energy costs leading to reduced profitability.
Anticipated impacts	Short term	Capital expenditure for related additional requirements.
	Medium term	Capital expenditure for energy efficient equipment and upgrades.
	Long term	Potential requirement for asset upgrades, with an increased risk of asset stranding.
Impact on Financial Performance		
Current impact		Higher energy costs.
Anticipated impacts	Short term	Higher energy costs increase short term operating expenses.
	Medium term	Rising energy costs create margin pressure when escalations outpace efficiency improvements.
	Long term	Structural margin compression if emissions or energy intensity levels remain elevated.
Impact on Cash Flows		
Current impact		Higher energy related cash outflows.
Anticipated impacts	Short term	Continued increase in energy-related cash outflows impacting short-term operating cash flows.
	Medium term	Higher operating cash outflows arising from cash needs on backup energy sources.
	Long term	Sustained pressure on operating cash flows from increased spending.
Impact on Cost of Capital		
Current impact		No significant immediate impacts have been identified.
Anticipated impacts	Short term	No material impact on cost of capital is anticipated.
	Medium term	Potential modest increase in cost of capital if emissions and energy risks are not effectively managed.
	Long term	Failure to effectively manage GHG emissions and energy intensity may result in a higher cost of capital due to increased transition risk and adverse investor and lender perceptions.

SLFRS S1 AND S2 RELATED FINANCIAL DISCLOSURES

Sustainability Related Risk Management

SRR1 - ENVIRONMENTAL AND SOCIAL IMPACTS OF SOURCING INGREDIENTS	
Manufacturing Sector	
Description	The Sector's reliance on agricultural inputs exposes it to supply chain related environmental and social risks. Fluctuations in crop yields may affect supply availability and lead to volatility in prices, resulting in production disruptions and narrower margins. Moreover, supplier non-compliance with environmental and social regulations could lead to reputational damage.
Risk type	Sustainability related risk
Time horizon	
Affected area	➲ Agricultural regions ➲ Supplier facilities
Business Model and Value Chain Impacts	
Current and anticipated effects on the business model and value chain	Environmental and social issues in the ingredient supply chain currently cause input cost volatility, supply disruptions and operational impacts that affect margins, production planning, product quality and brand trust. These pressures also emerge across the value chain through supplier availability and pricing challenges, along with shifting consumer expectations for responsible sourcing. Over time, the business faces rising risks from long term supply insecurity, ESG related supplier restrictions, higher sourcing costs, and reputational exposure, while the value chain may encounter ongoing sourcing constraints, compliance pressures and social risks linked to unethical suppliers.
Concentration of the risk	The risk is concentrated in the upstream supply chain in both the Beverages and Confectionery categories specifically in agricultural sourcing regions and supplier facilities (local and international) where environmental and social disruptions directly affect ingredient availability, quality and compliance. Disruptions related to supplier reliability and the availability of ethically sourced ingredients may impact operational continuity and the ability to meet evolving consumer expectations regarding ethical sourcing.
Strategy and Decision Making	
Response in strategy & decision making	The Sector manages environmental and social impacts within its supply chain through supplier audits (announced and unannounced), quality assurance compliance assessments, and increased sourcing flexibility. Contingency plans, short term supplier substitution, and production adjustments are activated during climate, social, or regulatory driven disruptions. BCP plans, commodity intelligence resources, negotiating favourable payment terms, and engagement with suppliers, certification bodies, and logistics partners supports coordinated incident management. Furthermore, the Sector actively supports capacity building of farmers and encourages suppliers to obtain GMP certification and other external certifications.
Progress to date	Supplier assessments have been expanded, with stronger monitoring of high risk suppliers. Sourcing has been diversified across local and regional options to improve resilience. Procurement lead times and inventory buffers have been adjusted, supported by ongoing supplier development and logistics partner coordination.
Trade-offs considered	Enhancing oversight, supplier development, and diversified sourcing increases short term costs and working capital requirements. These investments reduce medium to long term volatility, strengthen supply stability, and mitigate risks from agricultural, climatic, and social disruptions.

Financial position, financial performance, cash flows and cost of capital		
Impact on Financial Position		
Current impact		Inventory shortages, inventory write-offs, and higher input and manufacturing costs resulting in increased cost-related provisions.
Anticipated impacts	Short term	Inventory shortages may arise due to supply disruptions and reduced availability of key inputs.
	Medium term	Increase in capital investments and working capital requirements associated with supplier diversification and qualification initiatives.
	Long term	Potential restructuring of the supplier base, including increased reliance on long term contractual commitments.
Impact on Financial Performance		
Current impact		Production disruptions and higher cost of sales.
Anticipated impacts	Short term	Production disruptions and higher cost of sales, as volatility in ingredient prices and emergency sourcing could raise immediate operating expenses and reduce short term profitability.
	Medium term	Adverse impacts on margins as sustained input cost inflation, increased supplier compliance spending and variability in ingredient availability, could elevate sourcing and logistics costs.
	Long term	Long-term pressure on margins as supply volatility, ESG-related supplier risks, higher sourcing costs and reputational or regulatory impacts could affect competitiveness and operating profitability.
Impact on Cash Flows		
Current impact		Emergency sourcing and logistics related cash outflows
Anticipated impacts	Short term	Emergency sourcing and expedited logistics outflows, as the business responds to sudden supply shortages, price spikes or rapid supplier substitution needs.
	Medium term	Higher working capital requirements driven by increased inventory buffers, supplier support costs and additional costs related to compliance and certification.
	Long term	A sustained increase in working capital requirements if supply volatility persists. Ongoing investments in supplier development, ethical sourcing programmes and diversified sourcing models may also increase structural cash outflow requirements.
Impact on Cost of Capital		
Current impact		No significant immediate impacts have been identified.
Anticipated impacts	Short term	No material short-term effects expected.
	Medium term	Heightened lender and investor risk perception due to supply volatility and ESG compliance risks may result in tighter financing terms and modest increases in the Group's cost of capital.
	Long term	Persistent environmental and social risks in ingredient supply chains may result in a higher cost of capital driven by transition risk exposure and sustained adverse investor and lender perceptions.

SLFRS S1 AND S2 RELATED FINANCIAL DISCLOSURES

SRR2 - FOOD SAFETY COMPLIANCE		
Manufacturing Sector		
Description		Lapses in product quality, contamination, and supply chain traceability may lead to product recalls, regulatory penalties, legal claims and reputational damage. These failures can undermine customer confidence, impact consumer health and safety and risk the validity of certifications and licenses essential for operations.
Risk type		Sustainability related risk
Time horizon		
Affected area		➲ Manufacturing plants in the event of contamination and improper processing. ➲ Cold chain dependent storage and distribution points. ➲ Ingredient suppliers and distribution facilities as it could affect food safety critical controls.
Business Model and Value Chain Impacts		
Current and anticipated effects on the business model and value chain		Food safety issues such as recalls, cold chain failures or quality deviations may create remediation costs, regulatory penalties, health risks and reputational exposure across the business model. These incidents may also affect the value chain by increasing recall risk and requiring immediate operational adjustments. Over time, repeated non-compliance may erode brand equity, increase compliance related costs, drive customer attrition and restrict market access. Anticipated value chain impacts include sustained brand and access risks if incidents persist, along with tighter operational requirements to meet evolving food safety expectations.
Concentration of the risk		Food safety risk is most concentrated in manufacturing plants, cold chain assets, distribution facilities, supplier facilities and consumer storage points, where any breach in handling or temperature control directly affects product safety and regulatory compliance. Across the value chain, the highest exposure lies in manufacturing and distribution, as both depend on strict hygiene, temperature integrity and traceability to maintain food safety standards.
Strategy and Decision Making		
Response in strategy & decision making		Food safety controls through compliance with SLS and ISO standards, improved traceability and enhanced quality assurance monitoring. Incident response measures such as product holds, recalls and corrective actions are activated when risks arise, supported by engagement with suppliers, distributors, certification bodies and regulators.
Progress to date		Quality assurance systems and traceability measures have been upgraded, with additional supplier audits and food safety certifications. Investments in digital quality assurance tools, regulatory change readiness and stronger supplier and distributor engagement on hygiene and cold chain practices have improved overall compliance.
Trade-offs considered		Strengthening preventive quality assurance, traceability and supplier compliance requires higher short term costs. These investments reduce recall risk, regulatory exposure and food safety failures, supporting safer and more reliable operations.
Financial position, financial performance, cash flows and cost of capital		
Impact on Financial Position		
Current impact		No material impacts have been identified.
Anticipated impacts	Short term	Inventory write offs and recall related provisions, capital expenditure related to additional requirements, temporary sourcing or testing costs arising from food safety deviations, possible reduction in brand equity.
	Medium term	Capital investment in quality assurance systems, certification processes and supplier compliance programmes could raise asset values and provisioning requirements, possible reduction in brand equity.
	Long term	Food safety, traceability and quality leadership underpins brand strength while deficiencies may weaken brand equity and long term asset value.

Impact on Financial Performance		
Current impact		No material impacts have been identified.
Anticipated impacts	Short term	Potential decline in financial performance given refunds, lost sales and recall related costs, as well as temporary operational disruptions caused by lapses in quality.
	Medium term	Performance may be affected by remediation costs and ongoing investments in quality assurance systems, testing and supplier compliance, placing steady pressure on operating margins.
	Long term	Effective management of this risk supports strong market positioning and customer trust, while failures could undermine brand credibility.
Impact on Cash Flows		
Current impact		No material impacts have been identified.
Anticipated impacts	Short term	Cash outflows associated with product recalls if quality is affected.
	Medium term	Increased working capital volatility.
	Long term	Effective management reduces recall related cash flow volatility.
Impact on Cost of Capital		
Current impact		No significant impact identified.
Anticipated impacts	Short term	No significant impact identified.
	Medium term	Potential modest increase in cost of capital due to elevated compliance risk.
	Long term	Higher risk premium if incidents recur, with adverse investor and lender perception.

SRR3 – PACKAGING LIFECYCLE MANAGEMENT

Manufacturing Sector

Description	Packaging-related regulatory obligations with potential reputational exposure may arise due to increased focus on Extended Producer Responsibility (EPR). Insufficient oversight of end-of-life management of packaging materials such as improper collection, recycling or disposal may result in increased compliance costs and reduced customer confidence leading to a negative impact on sales.
Risk type	Sustainability related risk
Time horizon	
Affected area	➲ Manufacturing plants ➲ Supplier facilities where packaging material are produced. ➲ Waste collection bins at existing locations, and the Material Recovery Facilities.

SLFRS S1 AND S2 RELATED FINANCIAL DISCLOSURES

Business Model and Value Chain Impacts		
Current and anticipated effects on the business model and value chain		Compliance with plastic related regulations increases short term operating and compliance costs, as the business must manage collection, reporting and safe disposal of post consumer packaging. Failure to comply could damage consumer trust and negatively affect brand reputation. Over the long term, structural costs may rise due to Extended Producer Responsibility (EPR) obligations, including take back requirements, recycling targets and associated fees. If circularity expectations are not met or if packaging redesign is required to meet evolving standards; the business may face additional cost pressures and reputational risks related to sustainability performance. Restrictions on supply flexibility for existing packaging materials such as virgin plastics may come into effect necessitating a shift to R-PET (recycled PET).
Concentration of the risk		Risks associated with packaging lifecycle management are primarily concentrated in manufacturing plants, supplier facilities where packaging materials are produced, and recycling partners and facilities as these locations determine material selection, packaging formats and overall compliance with regulatory standards.
Strategy and Decision Making		
Response in strategy & decision making		Integrating packaging lifecycle risks into strategic planning by strengthening waste segregation, recycling systems, packaging compliance checks and vendor oversight. Long term strategy incorporates expected EPR related cost increases into procurement, packaging redesign and material reduction standards. Collaboration with suppliers, recyclers and waste management partners is used to ensure compliance, minimise disruptions and protect brand reputation.
Progress to date		Key actions completed include enhanced waste segregation practices and recycling initiatives, including CSR activities related to collecting plastics from the environment and recycling. We have also implemented preventive monitoring, staff training, upcycling initiatives and regular packaging compliance checks. Operational adjustments and cost reduction projects in packaging are underway to improve recyclability and minimise waste.
Trade-offs considered		Balancing short term compliance costs with long term sustainability benefits. Packaging redesign may increase cost and reduce supplier flexibility but strengthens regulatory alignment and brand value. Temporary packaging alternatives or disposal arrangements may diverge from long term goals during external disruptions. Material reductions are weighed against maintaining product protection and functional performance.
Financial position, financial performance, cash flows and cost of capital		
Impact on Financial Position		
Current impact		Expenses associated with fulfilling packaging and plastic management requirements. such as investing in plastic collection facilities and recycling processes.
Anticipated impacts	Short term	Provisions for regulatory fines, remediation costs and compliance related expenses associated with fulfilling packaging and plastic management requirements.
	Medium term	A potential increase in capital expenditure for packaging optimisation, redesign, supplier adjustments and investments may be required to meet evolving sustainability and circularity standards.
	Long term	Effective packaging lifecycle management lowers asset risk arising from increasingly stringent regulatory requirements.
Impact on Financial Performance		
Current impact		Expenses associated with fulfilling packaging and plastic management requirements.
Anticipated impacts	Short term	Incident response costs, regulatory penalties and operational disruptions arising from non compliance may adversely impact financial performance. Short-term production and sales losses may occur if packaging issues interrupt manufacturing or delay distribution.
	Medium term	Costs associated with packaging redesign, material reduction and new compliance aligned packaging systems.
	Long term	Effective management strengthens brand value and market competitiveness.

Impact on Cash Flows		
Current impact		Cash flows associated with fulfilling packaging and plastic management requirements
Anticipated impacts	Short term	Cash outflows may rise due to emergency response actions, remediation efforts and immediate compliance related spending if packaging issues are identified.
	Medium term	Operating cash outflow related to compliance related costs, including waste handling, monitoring, disposal and packaging compliance activities.
	Long term	Repeated non compliance could result in structural cash strain driven by recurring remediation and compliance costs.
Impact on Cost of Capital		
Current impact		No significant impact identified.
Anticipated impacts	Short term	No material short-term effects expected.
	Medium term	Potential modest increase in cost of capital driven by heightened regulatory risk potential penalties, and increased lender and insurer risk perception.
	Long term	Higher risk premium if environmental compliance credibility weakens.

SRR4 – WATER AND WASTEWATER MANAGEMENT

Manufacturing Sector

Description	Insufficient access to water could disrupt the operations of the Manufacturing Sector as it is a critical input to the production of beverages and confectionery products and essential for cleaning machinery. Moreover, improper treatment and disposal of wastewater from production processes could result in regulatory non-compliance and adversely impact reputation.
Risk type	Sustainability related risk
Time horizon	
Affected area	➲ Manufacturing facilities ➲ Effluent Treatment Plants (ETP) ➲ Water Treatment Plants (WTP) ➲ Waste Water Treatment Plants (WWTP) ➲ Water intensive processing and extraction sites
Business Model and Value Chain Impacts	
Current and anticipated effects on the business model and value chain	Variability in the availability of water may place strain on water dependent processes increasing the likelihood for interruptions in production. Increasingly stringent effluent management regulations could elevate treatment and monitoring costs and give rise to non-compliance risks associated with effluent discharge. More stringent regulations and rising water stress will require Manufacturing Sector to manage its water consumption sustainably by adopting more efficient processing designs, expanding water treatment capacity and investing in water recycling systems. The focus on sustainable water management is expected to increase in significance over the long-term necessitating additional capital expenditure.
Concentration of the risk	Risks associated with water and wastewater management are concentrated within our manufacturing plants. Water is a key input for our manufacturing operations. Effluents are generated during the manufacturing process and treated in effluent treatment plants/water and wastewater treatment plants prior to responsible discharge.

SLFRS S1 AND S2 RELATED FINANCIAL DISCLOSURES

Strategy and Decision Making		
Response in strategy & decision making		Water availability influences decisions related to production scheduling and may necessitate risk-based prioritisation of water intensive processes. ETP, WTP, and WWTP operating controls need to comply with regulatory requirements. Therefore, our strategic actions include checking & monitoring water availability for existing and new operations, focus on alternative water sources, operational water monitoring, focus on maintaining compliance with effluent discharge related regulatory requirements, preventive maintenance of treatment facilities, immediate corrective actions for deviations, while strengthening water security and reducing water related disruptions through sustainable water management initiatives.
Progress to date		Expanded preventive maintenance of water and wastewater treatment facilities, improved water monitoring processes, commenced re-use and recycling, and strategically managed water requirements during shortages. Compliance performance has been maintained through consistent system maintenance and periodic upgrades and operational oversight.
Trade-offs considered		Balancing production continuity with regulatory obligations and water reduction objectives. Production slowdowns or operational adjustments may temporarily impact output, while reliance on water treatment contractors creates dependency risks that must be managed within compliance constraints.
Financial position, financial performance, cash flows and cost of capital		
Impact on Financial Position		
Current impact		Recognition of provisions for remediation costs.
Anticipated impacts	Short term	Provisions for penalties and remediation in the event of water related non compliance or disruption, capital expenditure for treatment upgrades and other related additional requirements.
	Medium term	Capital expenditure to enhance and improve water sources and water treatment plants.
	Long term	Effective water management reduces exposure to risks associated with water intensive assets.
Impact on Financial Performance		
Current impact		Remediation costs for treatment related deviations.
Anticipated impacts	Short term	Lost production and sales due to the unavailability of water and higher remediation related costs.
	Medium term	Higher compliance costs associated with stricter regulations may pressure margins.
	Long term	Sustainable water management helps reduce volatility in costs associated with sourcing water in water stressed regions.
Impact on Cash Flows		
Current impact		Emergency remediation and water sourcing related cash outflows.
Anticipated impacts	Short term	Emergency remediation and sourcing water from alternate sources increases cash outflows.
	Medium term	Cash outflows arising due to compliance with stricter effluent discharge related regulations.
	Long term	Stable water and wastewater management practices reduces long-term cashflow volatility.
Impact on Cost of Capital		
Current impact		No significant impact identified.
Anticipated impacts	Short term	No material short-term impact expected.
	Medium term	A potential modest increase in cost of capital given wastewater compliance related risks.
	Long term	Potential increase in cost of capital due to ESG-linked financing sensitivity, and higher risk premium if compliance weakens.

SRR5 – WASTE MANAGEMENT		
Manufacturing Sector		
Description		Inadequate waste management may result in non-compliance penalties and adversely impact our reputation. Failure to responsibly dispose solid, wet waste and wastewater sludge may lead to regulatory action, increased compliance costs, loss of customer trust and reduced sales.
Risk type		Sustainability related risk
Time horizon		
Affected area		➲ Manufacturing plants ➲ Waste management systems
Business Model and Value Chain Impacts		
Current and anticipated effects on the business model and value chain		Current waste volumes and disposal requirements increase compliance pressure and create operational inefficiencies in waste handling processes. Manufacturing facilities experience delays due to waste segregation, handling and contractor dependence, while packaging waste drives increased operational oversight. Future regulatory tightening especially related to EPR and circular economy requirements will elevate long term structural costs and necessitate packaging redesign, expanded recovery systems and stronger contractor controls. Waste management complexity is expected to increase across production and distribution operations.
Concentration of the risk		This risk is concentrated in manufacturing waste generation points, sludge handling, packaging operations and contractor interfaces, where compliance, material handling and regulatory obligations intersect with production processes.
Strategy and Decision Making		
Response in strategy & decision making		Waste management risks guide decisions related to responsible disposal including waste segregation at source and responsible disposal. It also underpins decisions related to packaging materials, on segregating waste at source, enhancing compliant disposal and improving packaging efficiency. Manufacturing Sector embeds waste considerations into operational planning and product handling decisions to minimise regulatory exposure and mitigate operational disruptions caused by waste handling gaps.
Progress to date		Ongoing initiatives include enhanced waste segregation, reduction in the use of shrink wrap, improvements to sludge management and safe disposal through licensed contractors. Manufacturing Sector has also launched circularity initiatives such as waste to animal feed projects.
Trade-offs considered		Balancing cost efficiency with contractor compliance risks and space constraints associated with handling and storing waste. Stricter waste segregation can slow operational throughput while reliance on third party waste handlers introduces regulatory and operational risks that must be carefully managed.
Financial position, financial performance, cash flows and cost of capital		
Impact on Financial Position		
Current impact		Recognition of provisions for remediation costs, and compliance related expenses.
Anticipated impacts	Short term	Fines, remediation provisions and compliance related expenses may be incurred.
	Medium term	Capital expenditure to upgrade waste handling systems.
	Long term	Non compliant waste management infrastructure may require impairment or accelerated replacement, increasing capital and remediation costs.

SLFRS S1 AND S2 RELATED FINANCIAL DISCLOSURES

Impact on Financial Performance		
Current impact		Incident response and compliance related expenses.
Anticipated impacts	Short term	Incident response costs, regulatory penalties and lost production adversely impacts profitability.
	Medium term	Ongoing waste management and compliance costs increases overall operating costs.
	Long term	Adverse impact operating margins through higher compliance and remediation costs.
Impact on Cash Flows		
Current impact		Emergency response and remediation related cash outflows.
Anticipated impacts	Short term	Increased cash outflows given emergency remediation and incident response activities.
	Medium term	Sustained compliance driven operating cash outflows.
	Long term	Repeated non compliance could result in structural cash strains due to recurring remediation and compliance costs.
Impact on Cost of Capital		
Current impact		No significant impact identified.
Anticipated impacts	Short term	No material short-term impact expected.
	Medium term	Possible modest increase in cost of capital arising due to elevated risk profile of the sector.
	Long term	Higher risk premium if environmental compliance credibility weakens.

SRR6 – SKILLED LABOUR AVAILABILITY AND CAPABILITY RISK	
Manufacturing Sector	
Description	Skilled labour shortages and capability gaps in manufacturing and cold-chain operations arising from demographic trends, migration, competition for talent and increase safety incidents, disrupt production continuity, impair quality, affect service levels and ultimately reduce customer satisfaction and sales.
Risk type	Sustainability related risk
Time horizon	
Affected area	➲ Manufacturing plants and head office ➲ Cold chain operations ➲ Suppliers and distribution facilities
Business Model and Value Chain Impacts	
Current and anticipated effects on the business model and value chain	Skill gaps and labour shortages currently limit productivity, increase reliance on overtime and temporary staffing, and strain operational resilience in manufacturing and logistics. Capability gaps also affect safety, quality and speed of execution in operations requiring specialised skills. Over time, Manufacturing Sector expects greater pressure on building a multi skilled, tech ready workforce as automation increases. This will require sustained investment in capability development, workforce redesign and leadership strengthening to maintain operational stability and productivity.
Concentration of the risk	This risk is concentrated in manufacturing operations, cold chain logistics, fleet operations, and critical support functions, where skilled labour directly influences output quality, safety and service reliability.

Strategy and Decision Making		
Response in strategy & decision making		Labour shortages and capability gaps drive strategic decisions related to upskilling, workload management, safety improvements, culture development and role redesign. Manufacturing Sector prioritises ensuring adequate staffing for critical operations while enhancing capability pipelines and integrating workforce availability into operational planning.
Progress to date		Progress includes technical upskilling, targeted training, leadership development, redeployment actions, increased multi skilling and use of digital workflow tools. Redeployment and overtime management have supported continuity during periods of labour shortages.
Trade-offs considered		Balancing capability development with productivity, managing overtime against fatigue risks, and maintaining service quality while addressing skill gaps. Increased digital tool usage requires cyber security and data protection safeguards across workforce related systems.
Financial position, financial performance, cash flows and cost of capital		
Impact on Financial Position		
Current impact		Recognition of increased provisions for overtime, temporary labour, and recruitment costs.
Anticipated impacts	Short term	Increased provisions arising from overtime, temporary labour and recruitment expenses.
	Medium term	Investment in training systems and selective automation leads to capitalisation of related costs.
	Long term	Productivity constraints may result in under utilised assets and potential asset impairment risk.
Impact on Financial Performance		
Current impact		Higher labour costs, including overtime and contract labour expenses.
Anticipated impacts	Short term	Labour, overtime and contract labour related cost increases.
	Medium term	Throughput reductions, productivity losses and efficiency challenges pressure margins.
	Long term	Persistent skill gaps create ongoing structural margin pressure, with the increased labour costs over time.
Impact on Cash Flows		
Current impact		Higher cash outflows related to wages, training, and recruitment.
Anticipated impacts	Short term	Higher wages, training and recruitment costs increase cash outflows.
	Medium term	Automation related capex and workforce development spending heighten cash requirements.
	Long term	Continued investments in upskilling and automation create sustained long term cash flow needs.
Impact on Cost of Capital		
Current impact		No significant impact identified.
Anticipated impacts	Short term	No material short-term impact expected.
	Medium term	Potential modest increase in cost of capital due to sustained labour shortages, wage pressures, and operational execution risk.
	Long term	Persistent skills and labour availability constraints may result in a higher cost of capital driven by structural cost pressures and adverse investor and lender risk perception.

SLFRS S1 AND S2 RELATED FINANCIAL DISCLOSURES

SRR7 – WORKPLACE HEALTH AND SAFETY		
Supermarket Sector		
Description		Insufficient safety controls, unsafe working conditions, inadequate training, or low employee safety awareness may lead to injuries, accidents, lost workdays, legal liabilities, compensation costs, reputational damage and reduced workforce productivity.
Risk type		Sustainability related risk
Time horizon		
Affected area		➲ Supermarket Outlets ➲ Distribution Centre ➲ Collection Centres
Business Model and Value Chain Impacts		
Current and anticipated effects on the business model and value chain		Workplace health and safety risks can lead to injuries, lost productivity, temporary closures, and medical or legal liabilities, affecting operational continuity and workforce availability. These incidents increase insurance costs, necessitate ongoing training and audits, and require investment in safety equipment and infrastructure. Over time, recurring safety issues elevate operating costs, reduce efficiency, and embed higher safety related cash needs across outlets, the Distribution Centre, and collection centres.
Concentration of the risk		The risk is concentrated in outlets, the Distribution Centre, and collection centres, where frontline manual handling, equipment use, and customer facing operations present higher exposure. Key value chain stages affected include warehousing where lifting, storage, and equipment operation create injury risk, and retail operations, where safe layouts and procedures are essential to prevent incidents. These locations are labour intensive, making safety lapses disruptive across multiple operational processes.
Strategy and Decision Making		
Response in strategy & decision making		The Sector focuses on strong safety governance, regular audits, proper equipment provision, and mandatory training for employees and contractors. Fire fighting equipment, LPG leakage detection systems, safe manual handling practices, and removal of hazardous equipment during trading hours further strengthen risk controls. Oversight is provided through a Health and Safety Committee and a dedicated Health and Safety Officer.
Progress to date		Quarterly inspections, induction level and advanced training, near miss and incident reporting systems, and regular fire drills have strengthened safety culture. Upgrades to lighting, ventilation, mechanical aids, and first aid facilities have reduced risks, while improved chemical handling processes and safer store layouts have enhanced compliance and operations.
Trade-offs considered		Enhanced safety measures increase operating costs through training, audits, and equipment investment. However, these costs are weighed against reduced incident related liabilities, improved productivity, lower downtime, and lower long term legal and insurance exposure. The Sector prioritises prevention and workforce wellbeing over short term cost savings.
Financial position, financial performance, cash flows and cost of capital		
Impact on Financial Position		
Current impact		Incident related provisions.
Anticipated impacts	Short term	Workplace incidents may lead to provisions for medical and legal claims, recognition of incident related liabilities, and booking of insurance claimables. Immediate asset repairs and incident remediation may also affect the balance sheet.
	Medium term	Higher insurance reserves, increased safety related capex, and recurring training and audit requirements elevate asset balances and operational provisions.
	Long term	Over the long term, workplace health and safety risks may increase employee benefit and contingent liability provisions, raise capital expenditure requirements for safer facilities and equipment, elevate insurance related costs, and heighten asset impairment risk.

Impact on Financial Performance		
Current impact		Higher operating expenses from training, audits, and culture programmes.
Anticipated impacts	Short term	Labour, overtime and contract labour related cost increase.
	Medium term	Throughput reductions, productivity losses and efficiency challenges pressure margins.
	Long term	Persistent skill gaps create ongoing structural margin pressure.
Impact on Cash Flows		
Current impact		Routine operating cash outflows for training, audits, and equipment.
Anticipated impacts	Short term	Immediate payouts may be required for medical treatment, legal remediation, and temporary operational adjustments, creating unplanned cash outflows.
	Medium term	Safety training, audits, and equipment upgrades generate recurring operating cash outflows.
	Long term	Over the long term, workplace health and safety risks may lead to sustained cash outflows from higher injury-related compensation, insurance premiums and deductibles, safety-driven capital expenditure, and productivity-related revenue pressures.
Impact on Cost of Capital		
Current impact		No significant impact identified.
Anticipated impacts	Short term	No significant impact identified.
	Medium term	Escalating insurance premiums and a persistent safety risk profile may increase the cost of borrowing.
	Long term	Persistent workplace health and safety risks may increase the cost of capital over the long term through higher perceived operational risk, tighter insurance terms, greater return expectations from lenders and investors, and reduced access to favourable financing.

SRR8 – FOODBORNE ILLNESS / PRODUCT CONTAMINATION RISK

Supermarket Sector

Description	Failures in food handling, hygiene controls, or temperature management may lead to foodborne illness or product contamination within supermarkets. This may result in customer sickness, compensation claims, recovery costs, increased regulatory scrutiny, reputational damage, social media backlash, erosion of brand trust and loss of customer trust and sales.
Risk type	Sustainability related risk
Time horizon	
Affected area	➲ Supermarket Outlets ➲ Distribution Centre

SLFRS S1 AND S2 RELATED FINANCIAL DISCLOSURES

Business Model and Value Chain Impacts		
Current and anticipated effects on the business model and value chain		Foodborne illness or product contamination presents a material operational and reputational risk to the Sector's food handling and retailing business model. Currently, the risk manifests through increased customer refunds, reputational impacts, and compensation provisions recognised following customer complaints and quality deviations. Affected batches lead to inventory write offs, increased wastage, and higher testing charges as part of reactive quality assurance responses. These effects are particularly concentrated at the outlet level as well as customer service and after sales support, where most direct consumer interactions occur. Anticipated longer term effects include the need for significant traceability investments, more advanced quality monitoring technologies, and sustained operational spending on enhanced quality assurance programmes. If the brand impact persists, the Sector may experience longer run volume decline, margin compression, and reduced customer confidence. The Sector expects that the risk will continue to influence both upstream (receiving, storage, supplier cold chain) and downstream (in store handling, display, customer interactions) components of its value chain.
Concentration of the risk		The risk is most acute in outlet operations, particularly in the handling of perishable items such as fish and meat, where hygiene lapses, temperature deviations, or cold chain failures can directly compromise food safety. It is also concentrated in customer service and after sales support, where incidents immediately impact brand trust and trigger refund, complaint management, and recall processes. The risk is also present in product handling and storage within outlets and distribution centres, where failures in temperature control, hygiene, or handling can lead to contamination with issues typically surfacing through customer complaints, returned products, or regulatory findings, harming customer trust and brand reputation.
Strategy and Decision Making		
Response in strategy & decision making		The Sector has strengthened its strategic focus on food safety by prioritising end to end quality assurance, supplier monitoring, and enhanced operational controls. The Sector maintains strict receiving protocols for meat and fish, follows date coding and expiry tracking procedures, and ensures continuous temperature monitoring across chillers and freezers. Comprehensive internal audits, hygiene controls, and daily freshness checks form part of the Sector's ongoing risk management efforts.
Progress to date		The Sector has made material progress in operationalising robust food safety standards. Cold chain maintenance practices have improved, and routine pest control, sanitation schedules, and equipment calibration are now embedded as standard practice. Staff are provided with regular refresher training on food hygiene, good manufacturing practices (GMP), and safe handling protocols. Externally, the Sector has introduced supplier monitoring processes, including temperature checks on delivery trucks, and continues to pursue certifications such as SLSI and GMP to validate adherence to national and industry standards.
Trade-offs considered		Enhancing food safety standards requires a balance between higher operational costs and long term brand protection. Investments in monitoring systems, personal protective equipment (PPE), pest control, audit cycles, and hygiene training increase short term operating expenditure. However, these costs are weighed against the significantly greater financial and reputational risks associated with product contamination incidents. The Sector has accepted higher quality assurance overheads as necessary trade offs to safeguard customer trust and ensure regulatory compliance.
Financial position, financial performance, cash flows and cost of capital		
Impact on Financial Position		
Current impact		Recognition of compensation provisions and inventory write offs for affected product batches.
Anticipated impacts	Short term	Incidents may require recognising compensation provisions, writing down contaminated or suspect inventory, and incurring immediate recall related expenses. Chiller and freezer deviations can also lead to increased wastage, reducing the carrying value of inventories.
	Medium term	Insurance costs may rise following claims, and lenders may undertake enhanced risk reviews, potentially affecting borrowing terms. Additional capital expenditure may be required for advanced traceability technology, upgraded equipment, and monitoring systems.
	Long term	Sustained reputational harm may reduce the value of brand related intangible assets and require ongoing investments in food safety programmes. If customer footfall decreases persistently, future asset utilisation assumptions may need to be revisited.

Impact on Financial Performance		
Current impact		Increased wastage, additional testing and quality assurance related costs and a potential sharp decline in sales due to loss of consumer trust negatively impacts profitability.
Anticipated impacts	Short term	Product contamination directly reduces profitability through wastage, testing costs, and refund or compensation charges. Sharp declines in sales may occur immediately following a trust shock.
	Medium term	Higher quality assurance operating expenses such as testing, sanitation, pest control, and staff training may compress margins. Persistent reduction in customer confidence may also dampen revenue recovery.
	Long term	If brand perception is materially damaged, the Sector may face structural declines in sales volumes and profitability. Long term margin pressure may arise from sustained preventive spending and marketing efforts aimed at rebuilding customer confidence.
Impact on Cash Flows		
Current impact		Immediate cash outflows related to product recalls, customer compensation, and claims management.
Anticipated impacts	Short term	Immediate cash outflows occur due to recalls, refunds, complaint settlements, and additional testing. Inventory disposal also creates non recoverable cash impacts.
	Medium term	Increased insurance premiums, extended quality assurance related operating expenses, and capital investments in monitoring and traceability systems place pressure on operating and investing cash flows.
	Long term	If long term revenue reduction occurs, the Sector may experience lower operating cash inflows. Sustained marketing, communications, and assurance spending will contribute to continued cash outflows.
Impact on Cost of Capital		
Current impact		No significant impact identified.
Anticipated impacts	Short term	Potential modest increase in the cost of capital due to elevated insurance costs and increased lender risk scrutiny following incidents.
	Medium term	Sustained contamination risk or repeated incidents may lead to a higher cost of capital driven by heightened regulatory exposure, earnings volatility, and adverse investor and lender risk perception.
	Long term	Positive long term impact through demonstrably lower operational risk, stronger governance practices, and consistently favourable investor and lender risk perception.

SRR9 – INADEQUATE DATA PRIVACY PROTECTION

Supermarket Sector

Description	Weak cybersecurity measures or system vulnerabilities may result in unauthorized access, theft, loss or misuse of customer, employee or business data. This can lead to regulatory penalties, legal consequences, reputational harm, and loss of stakeholder trust.
Risk type	Sustainability related risk
Time horizon	
Affected area	➲ Supermarket outlets (Point of Sale [POS] systems, customer databases) ➲ Head office (HR systems, Enterprise Resource Planning systems [ERP], central servers)

SLFRS S1 AND S2 RELATED FINANCIAL DISCLOSURES

Business Model and Value Chain Impacts	
Current and anticipated effects on the business model and value chain	Inadequate data privacy protection is an increasingly material risk for the Sector as the business expands its use of digital platforms and data driven processes. Vulnerabilities in systems or security practices can trigger customer complaints, regulatory scrutiny, and potential penalties, particularly across outlets, head office IT environments, and customer service functions that handle sensitive personal and transactional data. Going forward, the risk is expected to drive higher cybersecurity related spending, increased cyber insurance requirements, and capital investments in system upgrades. The Sector also anticipates sustained commitments to staff training, governance enhancements, and continuous strengthening of IT controls. A significant breach could erode stakeholder trust, lead to customer attrition, and reduce revenue across the value chain, impairing the Sector's ability to compete effectively in a digital centric market.
Concentration of the risk	The risk is concentrated in areas where sensitive data is processed or stored, particularly customer service and after sales support, where customer data is frequently accessed for service transactions or complaint management. The head office also presents concentration points due to system administration, IT governance responsibilities, and data handling by central support functions. Cybersecurity vulnerabilities, outdated hardware, insufficient patching, or inadequate remote work controls can expose these segments of the value chain to unauthorized access, loss, or misuse of customer and employee information. As the Sector expands digital operations, interconnected systems increase the risk surface across outlets and core IT platforms.
Strategy and Decision Making	
Response in strategy & decision making	The Sector has embedded data privacy and information security into its governance framework. IT security compliance for critical updates is maintained above 90%, and annual system reviews identify vulnerabilities. Hardware is upgraded in line with the Sector's replacement policy, while remote working security has been strengthened through mandatory training and automated patch deployment. Access control has been enhanced through AAD enrolment and Global Protect, improving authentication and secure connectivity. The Sector has rolled out Data Classification across business units and integrated its systems with the Group Security Operations Centre for continuous monitoring and escalation of incidents. Email communication is protected with Advanced Threat Protection, strengthening defences against phishing and malware.
Progress to date	Significant progress has been achieved in strengthening cybersecurity resilience. The Sector has completed annual reviews of its Business Continuity Plan (BCP) and Disaster Recovery (DR) plan, alongside conducting simulated and desktop drills to test system readiness. Awareness programmes on security and compliance are ongoing and mandatory for relevant teams, contributing to improved organisational preparedness. Systematic training on secure remote working practices has been delivered, and vulnerability identification processes have improved through continuous system assessments. Data Classification for all business unit users has been rolled out, supporting improved control over sensitive and confidential information.
Trade-offs considered	Enhancing cybersecurity requires balancing higher operating costs with the need to manage regulatory and reputational risk. Increased investment in system upgrades, monitoring tools, authentication technologies, staff training, and insurance premiums may exert short term pressure on profitability. However, these expenses are considered necessary trade offs to avoid substantially larger long term consequences associated with breaches, including legal exposure, customer loss, or irreversible brand damage. The Sector has prioritised long term resilience over short term cost savings, recognising the strategic importance of data protection in maintaining stakeholder trust.

Financial position, financial performance, cash flows and cost of capital		
Impact on Financial Position		
Current impact		Compliance related provisions.
Anticipated impacts	Short term	Data breaches may require recognising liabilities for penalties, customer compensation, and regulatory remediation. Incident related investigations and forensics can create immediate cash requirements. Increased cyber insurance premiums may also influence short term liabilities.
	Medium term	Capitalised spend on system upgrades may be required to strengthen the Sector's cybersecurity posture. Cyber insurance related balances may increase, while lenders or regulators may carry out more stringent risk assessments. Investments in IT governance may affect working capital levels.
	Long term	Sustained investment in cybersecurity capability, system resilience, and staff training could lead to ongoing capital commitments. Trust erosion resulting from serious incidents could impair long term asset utilisation and reduce the value of customer related intangible assets.
Impact on Financial Performance		
Current impact		Compliance related expenses.
Anticipated impacts	Short term	Customer attrition, incident response costs, and regulatory penalties from a breach may directly reduce profitability. Operational disruption during a breach response could also impact revenue.
	Medium term	Higher ongoing cybersecurity operating expenses, including staff training, monitoring tools, and third party services, may reduce operating margins. Lost revenue due to diminished customer confidence may persist beyond the immediate incident.
	Long term	Long term profitability may be impacted by recurring cybersecurity resilience spending and governance enhancements. If reputational harm persists, the Sector may face structural reductions in customer volumes and increased marketing spend to rebuild trust.
Impact on Cash Flows		
Current impact		Cash outflows associated with breach response activities, including forensic investigations and remediation.
Anticipated impacts	Short term	Immediate cash outflows arise from breach response, forensics, customer compensation, and remediation actions. Additional expenses may be incurred for emergency IT support or system isolation measures.
	Medium term	Ongoing cybersecurity investment, including upgraded hardware, monitoring systems, and insurance premiums, will place sustained pressure on operating and investing cash flows.
	Long term	Long term resilience efforts, staff training programmes, and continuous system enhancement will require recurring cash outflows. If customer attrition becomes prolonged, reduced operating cash inflows may emerge over time.
Impact on Cost of Capital		
Current impact		Upward pressure on insurance costs, with higher cyber insurance premiums reflecting elevated risk perception.
Anticipated impacts	Short term	Potential modest increase in cost of capital due to higher compliance costs, insurance premiums, and lender scrutiny following incidents.
	Medium term	Repeated data privacy weaknesses may lead to a higher cost of capital driven by regulatory risk, litigation exposure, and earnings volatility.
	Long term	Persistent data privacy deficiencies may result in a structurally higher cost of capital due to reputational damage and adverse investor and lender risk perception.

SLFRS S1 AND S2 RELATED FINANCIAL DISCLOSURES

Climate Related Opportunities

CRO 1 – CLIMATE FOCUSED PROJECTS AND COLD-CHAIN STRENGTHENING	
Manufacturing Sector	
Description	Reactive risk management opportunities, climate focused financially sound projects, investing in climate-resilient infrastructure, power redundancy and cold-chain reliability may reduce disruption from extreme weather events, protect product quality and improve continuity of operations across the value chain.
Risk type	Sustainability related opportunity
Time horizon	
Affected area	➲ Cold-chain assets ➲ Warehouses ➲ Supplier and distribution facilities
Business Model and Value Chain Impacts	
Current and anticipated effects on the business model and value chain	Current cold chain strengthening efforts including freezer upgrades, backup power and temperature monitoring help reduce product loss incidents and operational disruptions during extreme weather events, improving short term reliability. Future climate focused investments, such as capacity expansion, redundancy, predictive maintenance and infrastructure upgrades, will further enhance cold chain durability and reduce long term climate related disruptions across logistics operations.
Concentration of the opportunity	This opportunity is concentrated in cold chain infrastructure, warehousing, temperature controlled logistics, and distribution centres, where asset performance determines product integrity and operational continuity.
Strategy and Decision Making	
Current effects to the business model	Cold-chain strengthening initiatives including freezer upgrades, backup power systems and enhanced temperature monitoring have improved operational reliability and reduced product loss during weather-related disruptions. Ongoing investments in predictive maintenance and infrastructure upgrades continue to support operational continuity, product integrity and improved resilience across logistics and distribution operations.
Anticipated changes to the business model	The business is expected to further strengthen climate-resilient cold-chain capabilities through continued investments in warehousing, temperature-controlled logistics and distribution infrastructure. Greater emphasis is anticipated on operational resilience, asset monitoring and energy-efficient cold-chain technologies to support continuity of operations, reduce climate-related disruption risks and enhance long-term supply chain reliability.
Current and anticipated direct mitigation & adaptation efforts	Current efforts include freezer and cold-room upgrades, backup power enhancements, predictive maintenance programmes and improved temperature monitoring systems aimed at strengthening resilience against climate-related disruptions. Future initiatives are expected to focus on expanding climate-adaptive cold-chain infrastructure, enhancing operational monitoring capabilities and improving logistics continuity measures to support long-term business resilience and operational efficiency.

Financial position, financial performance, cash flows and cost of capital		
Impact on Financial Position		
Current impact		No immediate balance sheet impact identified beyond routine maintenance activities.
Anticipated impacts	Short term	Asset strengthening assessments inform resilience related planning.
	Medium term	Capital expenditure is directed toward resilient cold chain and infrastructure upgrades.
	Long term	Climate focused investments reduce asset impairment risk arising from extreme weather events.
Impact on Financial Performance		
Current impact		Reduced disruption related losses in areas supported by backup systems.
Anticipated impacts	Short term	Operational losses from disruptions reduce when backup systems exist.
	Medium term	Lower downtime reduces margin erosion.
	Long term	Supports a long term structural improvement in operational reliability across temperature sensitive operations.
Impact on Cash Flows		
Current impact		Minor operating cash outflows associated with preparedness and resilience measures.
Anticipated impacts	Short term	Preparedness activities create minor operating cash outflows.
	Medium term	Infrastructure resilience investments increase capital expenditure related outflows.
	Long term	Strengthened cold chain infrastructure reduces cash flow shocks linked to operational disruptions.
Impact on Cost of Capital		
Current impact		No impact identified.
Anticipated impacts	Short term	No impact expected.
	Medium term	Potential modest reduction in the cost of capital driven by improved asset resilience, reduced spoilage risk and stronger lender and investor confidence.
	Long term	Potential modest reduction in the cost of capital driven by improved asset resilience, reduced spoilage risk and stronger lender and investor confidence.

SLFRS S1 AND S2 RELATED FINANCIAL DISCLOSURES

CRO 2 – ENERGY EFFICIENCY AND LOW-CARBON OPERATIONS	
Manufacturing Sector	
Description	Improving energy efficiency across manufacturing, refrigeration and distribution operations and transitioning towards lower carbon energy sources can reduce operating costs, strengthen margins and limit exposure to energy price volatility and carbon related regulatory pressures.
Risk type	Climate related opportunity
Time horizon	
Affected area	➲ Manufacturing plants and utilities ➲ Refrigeration systems with high energy needs for cooling. ➲ Logistics related assets such as distribution vehicles
Business Model and Value Chain Impacts	
Current and anticipated effects on the business model and value chain	Energy efficiency and low carbon initiatives currently provide modest cost savings through early optimisation measures, improved equipment performance, and more stable operational energy use. These initiatives also support short term resilience by reducing exposure to sudden energy price spikes. Over the medium to long term, sustained improvements in energy efficiency are expected to enhance operating margins, reduce vulnerability to energy market volatility, and strengthen access to sustainability linked financing. The shift towards lower carbon operations also positions the Sector to meet evolving regulatory expectations and capture long term competitiveness benefits.
Concentration of the opportunity	The opportunity is concentrated mainly in manufacturing facilities, where energy intensive processes offer the greatest potential for efficiency gains. Cold chain and refrigeration assets provide further opportunity through reduced electricity use and improved cooling performance. Additional benefits can be realised across warehouses, distribution facilities, and transport routes through upgraded equipment, efficient lighting, and fuel optimised logistics.
Strategy and Decision Making	
Response in strategy and decision making	Management strategy prioritises energy optimisation and low-carbon operations through targeted improvements across manufacturing, refrigeration and distribution activities. Focus has been placed on enhancing operational efficiency, reducing energy intensity, strengthening monitoring and improving process controls to support cost optimisation, operational resilience and alignment with evolving sustainability and regulatory expectations. The business also continues to evaluate opportunities for cleaner technologies and energy-efficient infrastructure to support long-term operational performance and emissions reduction objectives.
Progress to date	Energy efficiency initiatives were steadily advanced during the year across manufacturing plants and distribution operations. Improvements to refrigeration systems, process optimisation and operational monitoring contributed towards reducing energy consumption and enhancing efficiency across key operational areas. The business also continued evaluating and implementing operational enhancements aimed at improving productivity, supporting more sustainable operations and strengthening long-term energy performance.
Trade-offs considered	Current efforts focus on identifying environmental and energy trends, improving future readiness and implementing phased technology transitions aligned with efficiency initiatives and monitoring systems. While energy-efficient upgrades and low-carbon technologies may involve higher initial investments and operational transition considerations, these initiatives are expected to support long-term cost optimisation, improved operational resilience and enhanced sustainability performance.

Financial position, financial performance, cash flows and cost of capital		
Impact on Financial Position		
Current impact		No material impact has been identified.
Anticipated impacts	Short term	No material impact is expected.
	Medium term	Capital is deployed into energy efficient equipment and refrigeration upgrades.
	Long term	Supports the transition of the asset base toward lower carbon, energy efficient infrastructure.
Impact on Financial Performance		
Current impact		Marginal reduction in energy cost volatility in areas where efficiency initiatives are in place.
Anticipated impacts	Short term	Minor margin improvements may arise from early efficiency initiatives.
	Medium term	Reduced energy intensity supports a structural uplift in margins.
	Long term	Enhances long term margin resilience against energy price volatility.
Impact on Cash Flows		
Current impact		Limited short term operating cash flow benefits from reduced energy consumption.
Anticipated impacts	Short term	Limited capital expenditure related outflows.
	Medium term	Increased cash outflows due to energy efficiency investments which may begin generating returns.
	Long term	Supports stable operating cash flows over the long term.
Impact on Cost of Capital		
Current impact		No immediate impact identified.
Anticipated impacts	Short term	No material impact is expected.
	Medium term	Potential modest reduction in cost of capital from improved energy efficiency and lower transition risk.
	Long term	Potential modest reduction in cost of capital from improved energy efficiency and lower transition risk.

SLFRS S1 AND S2 RELATED FINANCIAL DISCLOSURES

Sustainability Related Opportunities

SRO 1 – SUSTAINABLE WATER GOVERNANCE AND RECYCLING SYSTEMS		
Manufacturing Sector		
Description		Enhancing water use efficiency, expanding recycling systems and strengthening wastewater treatment capabilities can significantly reduce reliance on limited water sources. These improvements help reduce compliance risk, support more consistent operations and reinforce stakeholder confidence in areas where water plays a critical role in production and supply chain activities.
Risk type		Sustainability related opportunity
Time horizon		
Affected area		➲ Manufacturing facilities which can improve water efficiency and reduce freshwater usage. ➲ Effluent Treatment Plants (ETPs), and Wastewater Treatment Plants (WWTPs) where wastewater from operations are treated. ➲ Water Treatment Plants (WTPs) where water is purified for industrial use.
Business Model and Value Chain Impacts		
Current and anticipated effects on the business model and value chain		Current water governance and recycling initiatives improve compliance reliability, strengthen operational resilience, support brand reputation and deliver cost savings through reduced freshwater use. Across the value chain, better monitoring and treatment help minimise disruptions. Over time, the business model is expected to benefit from greater resilience to water stress, lower long term operating costs and stronger stakeholder and community trust. The value chain will see improved long term water security and more consistent operational continuity as recycling capability and circular water practices expand.
Concentration of the risk		The opportunity is primarily concentrated within manufacturing operations, where the implementation of sustainable water governance practices and advanced water recycling systems can reduce freshwater dependency and operational risk. Investments in manufacturing facilities, including enhanced ETPs, WWTPs and WTPs, enable higher levels of water reuse, improved compliance, and greater resilience to water stress, supporting cost efficiency and long term operational sustainability.
Strategy and Decision Making		
Response in strategy & decision making		Management strategy prioritises strengthening water governance and recycling systems at water intensive manufacturing sites through enhanced monitoring, high compliance standards, preventive ETP maintenance, and timely corrective actions, improving process continuity, operational efficiency, and long term cost resilience.
Progress to date		Water use monitoring, recycling and wastewater treatment upgrades have been strengthened. Efficiency projects and ETP improvements have improved compliance and reduced variability. Collaboration with regulators and local partners has enhanced alignment with water management expectations.
Trade-offs considered		Investing in water efficient processes, wastewater upgrades and alternative water sources increase near term costs. These investments support long term resilience, regulatory compliance and stable operations under rising water stress conditions.
Financial position, financial performance, cash flows and cost of capital		
Impact on Financial Position		
Current impact		No significant impact identified.
Anticipated impacts	Short term	Compliance driven capital expenditure planning supports early enhancements in water efficiency.
	Medium term	Investments in advanced ETP systems, recycling infrastructure and water efficiency assets.
	Long term	Effective water governance and recycling systems reduce exposure to risks associated with water intensive assets.

Impact on Financial Performance		
Current impact		Compliance driven cost management, and margin stability by avoiding penalties.
Anticipated impacts	Short term	Cost containment through compliance aligned water governance.
	Medium term	Water efficiency programmes reduce unit water and treatment costs.
	Long term	Effective water governance helps reduce operating cost volatility in water stressed regions.
Impact on Cash Flows		
Current impact		Routine operating cash outflows associated with water treatment and regulatory compliance.
Anticipated impacts	Short term	Routine operating cash outflows arise for treatment and compliance processes.
	Medium term	Recycling and water efficiency investments increase capital expenditure related cash outflows.
	Long term	Improved water management helps stabilize long term cash flows.
Impact on Cost of Capital		
Current impact		No significant impact identified.
Anticipated impacts	Short term	No significant impact expected.
	Medium term	Potential modest reduction in the cost of capital due to improved water risk management, enhanced regulatory compliance, and more favourable investor and lender risk perception.
	Long term	Potential reduction in the cost of capital due to improved water risk management, enhanced regulatory compliance, and more favourable investor and lender risk perception.

SRO 2 – CIRCULAR PACKAGING AND WASTE REDUCTION SOLUTIONS

Manufacturing Sector

Description	Transitioning to recyclable, reusable or lower-impact packaging and strengthening waste segregation and recovery practices may reduce regulatory exposure, manage long-term compliance costs and enhance brand perception with customers and retailers.
Risk type	Sustainability related opportunity
Time horizon	
Affected area	➲ Supplier facilities ➲ Waste management systems ➲ Manufacturing plants

SLFRS S1 AND S2 RELATED FINANCIAL DISCLOSURES

Business Model and Value Chain Impacts		
Current and anticipated effects on the business model and value chain		Current circular packaging initiatives improve resource efficiency, reduce packaging waste and enhance regulatory alignment. Ongoing packaging lightweighting, recyclability improvements and shrink wrap reduction contribute to operational cost savings and improved waste handling performance. Future circular packaging solutions including redesign for recyclability, expanded recovery systems and low impact materials, are expected to reduce long term compliance costs and strengthen sustainability leadership. These changes will reshape packaging design and supplier engagement.
Concentration of the opportunity		The opportunity is concentrated in packaging sourcing, manufacturing packaging lines, distribution handling, and end of life recovery systems, where design, material use and recovery efficiency drive value creation.
Strategy and Decision Making		
Response in strategy & decision making		Circular packaging opportunities guide decisions around packaging redesign, selection of recyclable formats, material optimisation and EPR aligned approaches to reduce long term waste handling and compliance exposure. These considerations shape procurement and innovation decisions across packaging related operations.
Progress to date		Recyclable material rollouts, increased deployment of glass and can formats, reduction in packaging weight, expansion of Gunadamin waste recovery systems, MRF upgrades and shrink wrap reduction initiatives. Paper based ice cream tubs and upcycling initiatives have further improved performance.
Trade-offs considered		Balancing packaging cost, supply chain feasibility, and product protection needs while integrating circularity principles. Contractor capacity limits and packaging material availability can influence operational decisions and cost management.
Financial position, financial performance, cash flows and cost of capital		
Impact on Financial Position		
Current impact		Investments related to circular packaging and recycling initiatives.
Anticipated impacts	Short term	Investments in alternative or lower impact circular packaging.
	Medium term	Packaging redesign and recovery system requirements may increase capital expenditure needs.
	Long term	Asset risk falls as packaging infrastructure becomes more compliant and resilient.
Impact on Financial Performance		
Current impact		Initial cost pressures from packaging trials, partially offset by reduced regulatory and compliance risk.
Anticipated impacts	Short term	Transitional cost pressures arise due to packaging trials and raw material acquisition/development.
	Medium term	Cost control improves as compliance efficiency increases.
	Long term	Stronger brand perception enhances pricing power.

Impact on Cash Flows		
Current impact		Minor impacts on working capital arising from packaging inventory adjustments.
Anticipated impacts	Short term	Trial related cash outflows may occur.
	Medium term	Cash outflows rise due to packaging transition capital expenditure.
	Long term	Compliance related cash strain decreases as circularity improves.
Impact on Cost of Capital		
Current impact		No immediate impact identified.
Anticipated impacts	Short term	No significant impact expected.
	Medium term	Potential modest reduction in the cost of capital from improved regulatory alignment and lower waste related risk.
	Long term	Sustained circular packaging adoption may support a structurally lower cost of capital.

SRO 3 – RESPONSIBLE AND RESILIENT INGREDIENT SOURCING	
Manufacturing Sector	
Description	Strengthening supplier sustainability standards, traceability and long-term partnerships may improve supply security, reduce volatility in input costs, support compliance with evolving ESG expectations and protect brand reputation.
Risk type	Sustainability related opportunity
Time horizon	
Affected area	➲ Agricultural sourcing regions ➲ Supplier facilities
Business Model and Value Chain Impacts	
Current and anticipated effects on the business model and value chain	Current sourcing diversification, ESG assessments and supplier engagement reinforce supply continuity and reduce short term exposure to quality or availability disruptions. Local supplier strengthening contributes to more stable inbound logistics and production flows. Over time, resilient sourcing strategies will expand to include deeper supplier partnerships, enhanced traceability and geographically diversified procurement. This is expected to secure long term supply stability and mitigate cost volatility across ingredient categories.
Concentration of the opportunity	The opportunity is concentrated in agricultural sourcing regions, supplier manufacturing sites, and inbound logistics, where sourcing resilience directly supports product availability and quality.

SLFRS S1 AND S2 RELATED FINANCIAL DISCLOSURES

Strategy and Decision Making		
Response in strategy & decision making		Resilient sourcing shapes decisions on supplier selection, supplier development, diversification, and ESG alignment. Sourcing decisions prioritise continuity, risk adjusted cost stability and supplier capability improvements to strengthen long term resilience.
Progress to date		Local sourcing expansions, supplier ESG assessments, strengthened supplier partnerships, diversification across regions and the establishment of alternative supply channels for key ingredients. Improved traceability and buffer stock practices have supported continuity.
Trade-offs considered		Balancing cost competitiveness with resilience, managing varying supplier capabilities, and navigating yield variability across agricultural inputs. Supplier transitions may require short term cost or quality adjustments.
Financial position, financial performance, cash flows and cost of capital		
Impact on Financial Position		
Current impact		Manage supplier variability and supply continuity.
Anticipated impacts	Short term	Inventory optimisation initiatives support steady working capital needs.
	Medium term	Supplier investments and long term contract structures strengthen supply chain assets.
	Long term	A resilient sourcing network reduces long term supply chain asset risk.
Impact on Financial Performance		
Current impact		Sourcing and supplier audit costs may place marginal pressure on operating margins.
Anticipated impacts	Short term	Sourcing cost volatility impacts short term margins.
	Medium term	Input cost stability improves as supplier resilience strengthens.
	Long term	Margin predictability improves through stable long term supply.
Impact on Cash Flows		
Current impact		Minor impact from supplier audit and other initiative related cash outflows.
Anticipated impacts	Short term	Optimise working capital requirements due to supplier diversification.
	Medium term	Cash flow predictability improves as sourcing volatility reduces, cash flows improve with gradual stability of input costs.
	Long term	Stable sourcing supports reliable operating cash flows.
Impact on Cost of Capital		
Current impact		No immediate impact identified.
Anticipated impacts	Short term	No significant impact expected.
	Medium term	Potential modest reduction in the cost of capital from improved supply resilience and ESG risk management.
	Long term	Sustained sourcing resilience may support a structurally lower cost of capital.

SRO 4 – FOOD SAFETY, TRACEABILITY AND QUALITY LEADERSHIP

Manufacturing Sector

Description	Enhancing food safety systems, digital traceability and quality controls may strengthen consumer trust, reduce recall risk, support premium positioning and improve access to regulated and export markets.
Risk type	Sustainability-related opportunity
Time horizon	
Affected area	➲ Manufacturing plants ➲ Cold chain assets ➲ Supplier and distribution facilities
Business Model and Value Chain Impacts	
Current and anticipated effects on the business model and value chain	Current quality assurance enhancements, compliance checks and digital traceability systems improve product integrity and reduce safety related risks across manufacturing operations. Supplier quality systems strengthen control over raw material risks. Future digital traceability, certification expansions and technology enabled quality assurance will support export readiness, quality leadership and regulatory resilience. This positions Manufacturing Sector for long term competitive differentiation in safety and quality.
Concentration of the opportunity	The opportunity is concentrated in quality assurance processes, manufacturing operations, supplier compliance, and distribution hygiene, where traceability and quality controls are most critical.
Strategy and Decision Making	
Response in strategy & decision making	Food safety and traceability opportunities influence decisions on enhanced quality assurance processes, improved supplier hygiene requirements, technology enabled monitoring and higher quality assurance standards across manufacturing and distribution.
Progress to date	Strengthened food safety, traceability, and quality leadership through enhanced controls and rapid response capabilities, supporting margin protection and sustained brand trust.
Trade-offs considered	Balancing tighter quality controls with operational speed, cost and supplier readiness. Increased digital traceability requires additional investment in data protection and system reliability.
Financial position, financial performance, cash flows and cost of capital	
Impact on Financial Position	
Current impact	Reduced product recalls due to increased quality compliance.
Anticipated impacts – Short term	Quality assurance system upgrades strengthen the reliability of inventory and quality related assets.
Anticipated impacts – Medium term	Investments in enhanced traceability and digital quality assurance infrastructure increase the long term quality supporting asset base.
Anticipated impacts – Long term	Mitigates long term risk of brand impairment through sustained food safety and quality leadership
Impact on Financial Performance	
Current impact	Mitigates long term risk of brand impairment through sustained food safety and quality leadership
Anticipated impacts – Short term	Reduced incident risk supports margin stability.
Anticipated impacts – Medium term	Lower recall related volatility improves operational performance.
Anticipated impacts – Long term	Structural margin pressure can be avoided by preventing recurring food safety and quality failures.

SLFRS S1 AND S2 RELATED FINANCIAL DISCLOSURES

Impact on Cash Flows		
Current impact		Ongoing cash outflows associated with compliance and monitoring activities.
Anticipated impacts	Short term	Compliance and monitoring requirements create ongoing cash outflows.
	Medium term	System upgrade investments drive additional cash outflows.
	Long term	Reduces the risk of long term structural cash strain associated with repeated incidents.
Impact on Cost of Capital		
Current impact		No immediate impact identified.
Anticipated impacts	Short term	No significant impact identified.
	Medium term	No material impact identified.
	Long term	Potential reduction in the cost of capital due to improved risk management, enhanced traceability, and stronger investor and lender confidence.



SRO 5 – WORKFORCE CAPABILITY DEVELOPMENT AND TECHNOLOGY INTEGRATION READINESS	
Manufacturing Sector	
Description	Investing in upskilling the workforce, safety training and selective automation may improve productivity, reduce operational risk, support business continuity and enable long-term efficiency gains in manufacturing and logistics.
Risk type	Sustainability related opportunity
Time horizon	
Affected area	➲ Manufacturing plants & office locations ➲ Cold-chain operations ➲ Supplier and distribution facilities
Business Model and Value Chain Impacts	
Current and anticipated effects on the business model and value chain	Current capability building programmes and digital workflow adoption strengthen operational flexibility, productivity and performance reliability across manufacturing and logistics. Training initiatives support process accuracy and safety. Long term adoption of automation, digital integration tools and multi skilling will drive productivity improvements and create a resilient, tech ready workforce. This will support sustainable growth across operational functions.
Concentration of the opportunity	The opportunity is concentrated in manufacturing plants, logistics and cold chain operations, and office based support functions, where workforce capability and technology integration directly improve execution quality and efficiency.
Strategy and Decision Making	
Response in strategy & decision making	This opportunity informs decisions on multi skilling, leadership development, digital tool adoption and flexible workforce design to enhance productivity and operational resilience. Workforce strategy aligns capability development with future automation requirements.

Progress to date		Manufacturing Sector has expanded training programmes, introduced technology enabled workflows, initiating deployment of AI supported tools and strengthened performance management systems. Multi skilling and leadership development efforts have enhanced workforce agility.
Trade-offs considered		Balancing technology adoption with workforce adaptation needs, managing change readiness and ensuring continued service quality during capability transitions. Digital expansion requires robust data protection and cyber security safeguards.
Financial position, financial performance, cash flows and cost of capital		
Impact on Financial Position		
Current impact		Investments in training and systems remain limited in the short term.
Anticipated impacts	Short term	Training and system investments increase modestly, building long term capability.
	Medium term	Automation and technology adoption increase capital expenditure requirements.
	Long term	Productivity enhancing assets strengthen the long term asset base.
Impact on Financial Performance		
Current impact		Training related costs have a modest impact on operating margins.
Anticipated impacts	Short term	Training costs moderately affect margins.
	Medium term	Productivity improvements begin to offset labour related cost pressures.
	Long term	Structural efficiency gains contribute to stable long term performance.
Impact on Cash Flows		
Current impact		Ongoing operating cash outflows associated with training activities.
Anticipated impacts	Short term	Training related operating cash outflows.
	Medium term	Automation projects increase capital expenditure related cash requirements.
	Long term	Improved productivity enhances long term cash generation.
Impact on Cost of Capital		
Current impact		No immediate impact identified.
Anticipated impacts	Short term	No impact expected as benefits are primarily internal and operational.
	Medium term	Potential modest reduction in cost of capital driven by improved operational execution, productivity gains, and enhanced investor and lender confidence.
	Long term	Sustained workforce capability and technology readiness may support a structurally lower cost of capital through improved adaptability, resilience, and long term value creation.

SLFRS S1 AND S2 RELATED FINANCIAL DISCLOSURES

SRO 7 – ENHANCED QUALITY MANAGEMENT FOR WASTE REDUCTION		
Supermarket Sector		
Description		Strengthening quality management systems across operations to minimise product spoilage, defects, and process inefficiencies. Improved quality controls, training, monitoring, and root cause analysis can reduce waste, lower operational costs, improve product consistency, and enhance overall supply chain efficiency.
Risk type		Sustainability related opportunity
Time horizon		
Affected area		➲ Supermarket Outlets ➲ Distribution Centre
Business Model and Value Chain Impacts		
Current and anticipated effects on the business model and value chain		Enhanced quality management presents a strong opportunity for JMSL to improve operational efficiency and reduce wastage across outlets and customer service operations. Current improvements in hot food wastage reduction and faster customer issue resolution already demonstrate positive effects on daily operations. Over the medium to long term, strengthened quality disciplines are expected to deliver structural improvements in product consistency, sustained reductions in write offs, and ongoing cost efficiencies.
Concentration of the opportunity		The opportunity is primarily concentrated within customer service and after sales support channels, where enhanced quality management enables early identification of product issues, reduced returns and complaints, and more efficient resolution processes. Strengthening quality feedback loops at outlets supports cost and waste reduction, improves customer satisfaction and loyalty, and reinforces brand value through consistent service performance. The opportunity is also present in product handling and storage across outlets, distribution centres, and collection points. Stronger quality controls at these stages reduce spoilage, improve consistency, and support faster resolution of customer issues, enhancing efficiency and customer trust.
Strategy and Decision Making		
Response in strategy & decision making		The Sector is strengthening quality management frameworks through more robust operational controls, targeted wastage reduction initiatives, and continuous process improvements in outlets and customer service operations.
Progress to date		Initial quality improvements, particularly in hot food wastage reduction and faster customer complaint handling, demonstrate tangible benefits.
Trade-offs considered		Realising these opportunities requires upfront investment, including capital expenditure on quality enhancing tools, While this increases short term costs, the Sector recognises that the long term benefits such as lower spoilage, improved margins, stronger customer trust, reduced contingent liabilities, and outweigh the initial financial outflows. The Sector therefore accepts higher near term spending to unlock sustained operational and financial advantages.
Financial position, financial performance, cash flows and cost of capital		
Impact on Financial Position		
Current impact		Short term accruals for training and audit activities.
Anticipated impacts	Short term	Potential investments in quality management infrastructure may temporarily increase asset balances and reduce short term liquidity.
	Medium term	Ongoing digital and process improvements are expected to reduce spoilage related write offs and contingent liabilities, strengthening the balance sheet and supporting more efficient working capital management.
	Long term	Enhanced quality management supports long term financial performance by structurally lowering costs and waste, improving margins, and enabling more stable and predictable cash flows.

Impact on Financial Performance		
Current impact		Increase in operating expenses and minor operational slowdowns.
Anticipated impacts	Short term	Training, digital upgrades, and process investments may increase operating expenses, temporarily affecting margins.
	Medium term	Reductions in wastage, improved product consistency, and fewer system outages are expected to strengthen margins and reduce recovery costs, improving operating profitability.
	Long term	Sustained cost efficiencies and enhanced customer trust are expected to support higher recurring profitability, while digital reliability enables stable performance and new revenue opportunities.
Impact on Cash Flows		
Current impact		Cash outflows associated with quality assurance upgrades.
Anticipated impacts	Short term	Enhanced quality management is anticipated to improve cashflow through reduced waste and rework, lower return related outflows, and improved working capital efficiency.
	Medium term	Reduced wastage, lower recovery spending, and fewer operational disruptions will begin to stabilise cash flows and improve operating cash generation.
	Long term	Greater digital resilience, sustained operational efficiencies, and enhanced customer loyalty are expected to deliver more predictable and stable cash inflows, supporting long term financial sustainability.
Impact on Cost of Capital		
Current impact		No material impact identified.
Anticipated impacts	Short term	No material impact on the cost of capital is anticipated.
	Medium term	Sustained reductions in waste and incidents improve the Sector's risk profile, enabling better credit terms and lowering the overall cost of debt.
	Long term	Consistent high quality performance establishes a strong, low risk track record, driving down both equity and debt costs and reducing the long term cost of capital.

SRO 8 – RESILIENT INFRASTRUCTURE INVESTMENT

Supermarket Sector

Description	Investing in climate resilient and diversified infrastructure to strengthen operational continuity, reduce reliance on a single distribution facility, and minimise climate related disruption and maintenance costs.
Risk type	Sustainability related opportunity
Time horizon	
Affected area	Outlets Distribution Centre Collection Centres
Business Model and Value Chain Impacts	
Current and anticipated effects on the business model and value chain	Enhancing the resilience and diversification of retail outlets, collection centres, and the distribution centre reduces exposure to climate related disruptions and strengthens operational continuity. Current efforts to reinforce physical infrastructure and improve contingency arrangements have already supported more stable day to day operations. Over the medium to long term, increased resilience is expected to minimise downtime, extend asset life, reduce climate related repair costs, and enhance the reliability and scalability of the Sector's retail and logistics network.

SLFRS S1 AND S2 RELATED FINANCIAL DISCLOSURES

Concentration of the opportunity		The opportunity is most concentrated in outlets, collection centres, and distribution operations, where physical strengthening directly reduces service disruptions and operational losses during extreme weather events. Benefits also extend to supporting functions such as property management, sourcing and procurement, and retail operations, where improved asset conditions, better continuity planning, and diversified logistics capacity enhance overall network stability and long term cost efficiency.
Strategy and Decision Making		
Response in strategy & decision making		The Sector is prioritising structural upgrades to retail and logistics assets, diversifying distribution capacity, and integrating climate resilience standards into property development and procurement decisions. Strengthened contingency planning, improved site readiness, and enhanced risk screening for new locations form part of the strategic response. These actions support long term business continuity, safeguard margins from climate related disruptions, and reinforce the reliability of the retail and distribution network.
Progress to date		Initial progress includes upgrades to selected outlets and collection centres, improved drainage and flood readiness measures, and enhanced inspection and maintenance routines to reduce vulnerability to climate impacts. Early improvements in continuity and reduced disruption related repairs indicate the effectiveness of these measures in supporting more stable retail and distribution operations.
Trade-offs considered		Realising the benefits of a more resilient and diversified retail and distribution network requires upfront investment. However, these short term costs are expected to be outweighed by long term gains through reduced disruptions, lower climate related damage, and more stable operational performance.
Financial position, financial performance, cash flows and cost of capital		
Impact on Financial Position		
Current impact		Increased capital expenditure for climate resilient upgrades, higher work in progress balances, and an increase in short term liabilities.
Anticipated impacts	Short term	Financial position may reflect higher capital expenditure for climate resilient upgrades, increased work in progress balances during infrastructure transitions, and a temporary rise in short term liabilities.
	Medium term	Benefits are expected to emerge through reduced maintenance provisions, more stable inventory levels, and improved insurance terms as asset reliability and risk profiles improve.
	Long term	Over the long term, investments in climate-resilient and diversified infrastructure are expected to increase asset intensity on the balance sheet, while potentially reducing exposure to climate-related impairment risk.
Impact on Financial Performance		
Current impact		Margin pressure resulting from operational downtime and increased repair related operating expenses.
Anticipated impacts	Short term	Impacts include margin pressure from operational downtime and higher repair related operating expenses.
	Medium term	Improved asset reliability is expected to lower maintenance costs and support more stable revenues.
	Long term	Over the long term, investments in climate-resilient and diversified infrastructure are intended to reduce the frequency and severity of climate-related disruption costs impacting operating expenses and gross margins.
Impact on Cash Flows		
Current impact		Significant capital expenditure outflows.
Anticipated impacts	Short term	Cash outflows will increase due to significant capital expenditure commitments for infrastructure reinforcements and resilience measures.
	Medium term	Decreases in unplanned repair costs, fewer interruption related expenses, and improved operating stability will begin to smooth cash flows and strengthen operating cash generation.
	Long term	More stable operating cash flows by mitigating climate-related disruption and associated recovery costs.

Impact on Cost of Capital		
Current impact		At present, such investments have limited direct impact on the cost of capital, as funding decisions continue to be driven primarily by prevailing market conditions and company risk profile.
Anticipated impacts	Short term	The cost of capital may marginally increase due to upfront capital commitments and higher funding requirements associated with resilience-related infrastructure investments.
	Medium term	Improved operational resilience and reduced exposure to climate-related disruptions may support a more stable risk perception among lenders, partially offsetting initial cost pressures.
	Long term	Sustained investment in climate-resilient and diversified infrastructure may contribute to a lower or more stable cost of capital by reducing perceived physical climate risk, improving asset reliability, and supporting long-term financing confidence.

SRO 9 – CYBERSECURITY MATURITY AND DIGITAL TRANSFORMATION ENABLEMENT

Supermarket Sector

Description	Enhancing cybersecurity maturity to reduce exposure to cyber risks, improve system reliability, and enable secure adoption of digital tools, automation, and advanced analytics.
Risk type	Sustainability related opportunity
Time horizon	
Affected area	➲ Outlets ➲ Head office
Business Model and Value Chain Impacts	
Current and anticipated effects on the business model and value chain	Strengthening cybersecurity maturity presents a significant opportunity to enhance operational reliability and support the Sector's broader digital transformation agenda. Initial investments in cyber tools, monitoring systems, and security controls are already reducing exposure to cyber threats and supporting more secure use of digital platforms across outlets and head office operations. Over the medium to long term, improved cybersecurity enables the adoption of advanced analytics, automation, and technology enabled service models, supporting greater efficiency, data driven decision making, and long term digital competitiveness.
Concentration of the opportunity	The opportunity is most concentrated in outlets and the head office, where strengthened cyber controls reduce the likelihood of breaches, enhance system uptime, and support safer digital transactions. Additional benefits arise in customer service and after sales support, where strong digital resilience builds customer trust, lowers service disruptions, and enables future scaling of secure digital channels. As cybersecurity maturity increases across enterprise systems, the overall value chain benefits from reduced operational risk and enhanced readiness for technology driven growth.
Strategy and Decision Making	
Response in strategy & decision making	The Sector is advancing its cybersecurity maturity through targeted investments in monitoring tools, access control systems, incident response capabilities, and employee awareness programmes. These initiatives are integrated into broader digital transformation efforts, enabling secure adoption of new technologies and advanced analytics. The strategic focus is on strengthening digital resilience, safeguarding data assets, and ensuring business continuity as operations become increasingly technology enabled.

SLFRS S1 AND S2 RELATED FINANCIAL DISCLOSURES

Progress to date		Early progress includes enhanced cyber tool deployment, improved system monitoring, and stronger compliance with security protocols, contributing to fewer outages and reduced exposure to cyber threats. Customer facing digital platforms have benefited from strengthened safeguards, supporting higher digital trust and more stable service performance. These improvements reinforce the Sector's readiness for future digital transformation initiatives.
Trade-offs considered		Cybersecurity improvements require upfront spending on tools, infrastructure, and staff training, increasing short term operating and capital outflows. However, these investments significantly lower the risk of cyber breaches, reduce long term recovery costs, and minimise contingent liabilities. By accepting higher near term expenditure, the Sector secures long term digital resilience, operational continuity, and the ability to safely scale technology enabled capabilities.
Financial position, financial performance, cash flows and cost of capital		
Impact on Financial Position		
Current impact		Capital expenditure on cyber security tools.
Anticipated impacts	Short term	Capital expenditure on cybersecurity infrastructure, and increased training related operating expenditure may temporarily reduce liquidity and elevate asset balances.
	Medium term	Reduced exposure to breaches and lower incident related provisions strengthen the balance sheet while stabilising system related working capital requirements.
	Long term	Long term digital resilience lowers catastrophic loss exposure, enhances asset reliability, and supports a more robust financial position.
Impact on Financial Performance		
Current impact		Increased operating expenses related to training.
Anticipated impacts	Short term	Higher training and cyber tool expenses may temporarily increase operating costs and impact margins.
	Medium term	Fewer system outages reduce recovery costs and stabilise revenue flows, supporting improved profitability.
	Long term	Secure and reliable digital systems enable automation, advanced analytics, and digital revenue streams, contributing to sustained performance improvements.
Impact on Cash Flows		
Current impact		Cash outflows for capital expenditure and training.
Anticipated impacts	Short term	Cash outflows rise due to spending on cybersecurity tools, audits, and training activities.
	Medium term	Lower breach related shocks, reduced incident response costs, and fewer outages support more stable operating cash flows.
	Long term	Digital resilience reduces volatility in cash flows, supports more predictable performance, and enables future digital enabled cash generation opportunities.
Impact on Cost of Capital		
Current impact		No significant impact identified.
Anticipated impacts	Short term	No significant impact identified.
	Medium term	Lower contingent liabilities and reduced cyber risk exposure support a more favourable risk profile, improving credit terms.
	Long term	Sustained digital resilience, lower breach probability, and improved operational stability contribute to a reduced long term cost of capital across both debt and equity.


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FUSION FOOD
FUN GAMES
MUSICAL NIGHT
Elephant House
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SLFRS S1 AND S2 RELATED FINANCIAL DISCLOSURES

Climate resilience

During the current reporting year, the Group did not conduct a climate-related scenario analysis. Therefore, CCS Group is not providing climate-resilience disclosures based on scenario analysis for this reporting period.

Transition plan

The Group currently does not have a formal climate related transition plan, and no related assumptions or dependencies have been developed. The importance of such planning is acknowledged, and an appropriate transition plan will be considered in the future.

RISK MANAGEMENT

CCS has established a comprehensive Enterprise Risk Management (ERM) framework to ensure robust risk identification, assessment, and mitigation processes. Material sustainability and climate-related risks and opportunities were integrated into the quarterly Risk Committee agenda, where they are formally presented and reviewed. These risks are now fully integrated into CCS' broader risk management processes and are assessed with the same rigour as operational, financial, and compliance risks.

To support a comprehensive assessment of CCS' SRROs and CRROs, CCS conducted a detailed mapping of its value chain, enabling a structured approach to the identification of sustainability and climate related risks and opportunities. Inputs from relevant internal and external stakeholders were also considered in this assessment.

Process for climate related risks

CCS' processes for identifying, assessing, prioritising, and monitoring sustainability and climate related risks and opportunities were conducted within its Enterprise Risk Management Framework (ERMF). This framework is applied consistently across the CCS Group and aligns with its risk assessment methodology and governance structure. (Please refer the Enterprise Risk Management section on page 172 for more information).

Sustainability-related and climate related risks are integrated into the CCS Group's Enterprise Risk Management Framework to facilitate the evaluation of sustainability related and climate related considerations alongside strategic, operational, financial, and compliance related risks. The incorporation of value chain considerations into its risk identification process, enhanced the CCS' identification of material sustainability and climate related risks and enabled the management of potential impacts across interconnected business activities.

(i) Inputs and parameters

CCS' risk management framework is supported by a structured set of inputs and parameters that enable comprehensive and consistent risk identification across its diversified operations.

The Group's current headline risk categories of External Environment, Business Strategies & Policies, Business Processes, Organisation & People, Analysing & Reporting, Technology & Data, and Sustainability & CSR form the foundation of how risks are identified, assessed, and managed (Please refer the Enterprise Risk Management section on page 172 for more information). These risk areas are governed by dedicated teams with robust oversight, ensuring that sustainability and climate related risks are reviewed systematically and fully integrated into enterprise risk management processes.

At present, CCS' identification of climate related risks is not informed by climate-related scenario analysis. However, the CCS Group recognises the importance of these tools in strengthening its risk management framework and is actively evaluating the adoption of scenario analysis methodologies.

ii) Nature, likelihood and magnitude of risks

The CCS Group assesses the nature, likelihood, and magnitude of risks using a structured and standardised risk assessment methodology, applied consistently across business segments and value chain activities on a qualitative basis in the current year.

- Identifying the nature of risk

The nature of risk is identified through detailed risk descriptions that link the risk event to specific operational exposures, environmental dependencies, and broader sustainability related impacts. This includes consideration of acute and chronic physical climate risks, transition related regulatory or market shifts, and social and environmental dependencies across the value chain.

- Assessing the likelihood of occurrence

The likelihood of occurrence is evaluated using a structured qualitative scoring scale, informed by expert judgement, historical incident experience, climate related factors, external conditions, and the effectiveness of existing mitigation measures implemented across the CCS Group.

- Assessing the magnitude of impact

The magnitude of impact is supported by quantitative estimates where reliably measurable. Severity assessments include financial, operational, environmental, regulatory, and reputational dimensions. A net risk rating is derived by combining the assessed likelihood and severity scores, ensuring comparability across diverse risk types and enabling prioritisation within the Enterprise Risk Management Framework.

This integrated assessment approach enables robust, forward looking, and decision useful evaluation of risk effects capturing both financial and non financial dimensions while remaining aligned with CCS' governance and Enterprise Risk Management Framework, risk appetite, and strategic objectives.

The Management Committee convened on three occasions during the year and utilised the value chain mapping process to identify sustainability related and climate related risks and opportunities at each stage of the business value chain. The likelihood and impact of each risk and opportunity were assessed qualitatively during the Management Committee

discussions, ensuring that sustainability and climate related considerations were integrated consistently throughout the assessment process.

iii) Prioritisation of climate related risks

Climate related risks are integrated into the Enterprise Risk Management Framework and assessed based on their impact on operational continuity, safety, compliance, financial performance, and reputation.

- Acute physical risks are prioritised alongside key operational and sourcing risks given their potential to disrupt inbound logistics, affect supplier performance, and cause production or service delays.
- Physical risks to assets are treated as key operational and safety related risks given their potential to result in asset damage, operational downtime, and employee safety implications.
- Workforce related risks linked to climate and sustainability factors are managed as key people related operational risks due to their influence on talent availability, capability building, and service quality.
- Product quality and customer facing risks are prioritised together with broader customer health, safety, and compliance risks due to their reputational and regulatory significance. Compliance driven risks, including those arising from evolving data privacy and sustainability related regulations, are prioritised with other operational compliance risks due to their potential for regulatory breaches and reputational impact.

The risks and opportunities identified through the value chain mapping exercise were prioritised based on their likelihood and impact.

Likelihood was assessed by evaluating the probability of occurrence, informed by historical data, operational experience, climate related trends, and industry specific insights. Impact was evaluated by considering the potential implications on financial performance, financial position, cash flows, and long term operational resilience across short , medium , and long term time horizons. In addition, the degree of control CCS can exercise in mitigating exposure to each risk was also considered when determining the overall impact assessment.

Prioritised material risks were incorporated into the quarterly Risk Committee agenda, where they were formally presented, reviewed, and monitored. These risks are now fully integrated into CCS' Enterprise Risk Management Framework and are assessed with the same rigour as operational, financial, strategic, and compliance risks.

Through this integrated approach, climate related risks receive equivalent priority to other material business risks of the Group.

iv) Monitoring Climate related Risks

CCS monitors climate related risks through ongoing tracking of operational, regulatory, and environmental indicators across the business. Monitoring activities include regular reviews of energy consumption, emissions performance, water usage, waste generation, and resource efficiency measures, together with continuous observation of regulatory developments and stakeholder expectations relating to sustainability and climate action. Climate related physical risk indicators, such as extreme weather alerts and asset condition assessments, are also monitored across relevant operations.

These risks are reported through established governance structures, with oversight provided by the Group Executive Committee (GEC). Climate related risks are incorporated into quarterly risk reporting and escalated to management committees as required.

While monitoring is currently focused on operational, compliance based, and resource efficiency metrics, the Group is strengthening its processes to incorporate more forward looking tools, including enhanced climate risk analytics, scenario analysis, and assessments of climate impacts across the value chain. These developments will further improve the Group's ability to anticipate, respond to, and manage climate related risks in the future.

vi) Changes in processes

The CCS' Enterprise Risk Management approach to identifying, assessing, prioritising and managing climate related risks and opportunities remained consistent with the previous reporting period. The Enterprise Risk Management (ERM) Framework provides the foundation for risk identification and assessment activities across the Group.

While the Enterprise Risk Management processes remain unchanged, the CCS Group implemented several refinements to strengthen governance, integration, and alignment with emerging sustainability and climate disclosure requirements. Key enhancements include,

- A stronger governance framework with formal oversight by the Board, the Board Audit Committee and deeper integration through enterprise wide risk and sustainability governance forums.
- Enhanced value chain mapping, enabling a more detailed assessment of acute and chronic physical risks, transition related risks, and sustainability related opportunities across upstream, operational, and downstream activities.
- More formal integration of climate related opportunities into the Group's sustainability strategy and strategic planning processes, supported by structured assessment tools and cross functional working sessions.

CCS continues to apply a consistent ERM methodology while progressively embedding climate related considerations into strategic planning, governance oversight, and operational decision making. Further improvements are expected as the Group continues to strengthen its climate related capabilities and responds to evolving regulatory and stakeholder expectations.

SLFRS S1 AND S2 RELATED FINANCIAL DISCLOSURES

The CCS Group conducts robust processes to identify impacts and dependencies across the value chain and determine which of these give rise to potentially relevant climate related risks. This process includes:

- Determining appropriate time horizons for climate related risk assessment consistent with strategic and operational planning cycles.
- Engaging with stakeholders through consultations, feedback mechanisms, and surveys to understand their expectations in relation to the Group's strategy and sustainability priorities.
- Scanning the regulatory horizon to anticipate changes in legislation, regulations, standards, and disclosure frameworks related to climate and sustainability.
- Conducting asset level and segment level resilience and exposure assessments using inputs such as extreme weather forecasts, rainfall and temperature projections, and hazard mapping.
- Performing supplier due diligence to identify risks and dependencies across the value chain, including those linked to resource efficiency, circularity, and sustainable sourcing.
- Conducting workshops with internal stakeholders to facilitate alignment with strategic priorities and develop a comprehensive list of potentially relevant climate related risks and opportunities.

b) Processes for climate related opportunities

The CCS Group approach to identifying climate related opportunities is consistent with that of climate related risks, ensuring consistency and alignment in application. Potential opportunities are identified through monitoring market developments, emerging regulatory requirements, technological advancements, and shifts in stakeholder expectations. These opportunities are then evaluated for viability and commercial potential by the relevant governance bodies, including the Group Executive Committee (GEC) with consideration given to emerging risks or dependencies. Relevant opportunities are incorporated into CCS' sustainability strategy and embedded within the broader five year business planning cycle.

As part of this process, CCS evaluates sustainability related opportunities that enhance long term value creation and support resilience across its business segments. These include opportunities in sustainable finance and investment, resource efficient and circular economy initiatives, renewable energy integration, and nature based solutions, all of which can contribute to lower operating costs, improved environmental performance, and strengthened stakeholder confidence.

The identification of these opportunities is informed by inputs such as CCS' sustainability strategy, environmental performance data across operational sites, waste and resource efficiency indicators, water use metrics, and feasibility assessments for renewable energy and energy efficiency solutions. These insights support CCS' approach to integrating sustainability considerations into capital allocation, procurement decisions, operational planning, and product and service innovation in line with evolving regulatory expectations and stakeholder priorities.

CCS conducts cost benefit analyses to assess potentially relevant climate related opportunities, considering financial viability alongside environmental and social benefits such as emissions reductions, energy cost savings, resource conservation, and community wellbeing. These analyses help determine overall feasibility, value contribution, and alignment with long term strategic objectives.

c) Integration into overall risk management

As its sustainability reporting journey continues to mature, the CCS Group intends on strengthening the integration of sustainability and climate related risks and opportunities into strategic decision making across the Group. This includes deeper analysis of consolidated climate-related risk and opportunities and its financial impacts. scenario based insights, and more detailed value chain mapping to enhance understanding of climate related effects. The CCS Group also intends on progressively strengthening the integration of climate related risks and opportunities into the Enterprise Risk Management Framework (ERMF), enabling consistency in identification, assessment, prioritisation, management, and monitoring across all business units.

METRICS AND TARGETS

GHG emissions

Measurement approach

CCS' approach to measuring its Scope 1 and 2 GHG emissions is described below.

- **Scope 1 – Direct emissions**

  CCS measures Scope 1 greenhouse gas (GHG) emissions based on direct emissions arising from Group controlled sources. The measurement approach follows the GHG Protocol and GRI 305 Emissions 2016 Standard and includes quantifying fossil fuel consumption and fugitive emissions across relevant operations. These inputs represent the primary contributors to direct emissions within the organisational boundary.

- **Scope 2 – Indirect emission from purchased electricity**

  Emissions are calculated using electricity consumption across all operational locations. CCS applies the location based method, to quantify indirect emissions associated with purchased electricity. Emission factors are based on IPCC AR6 guidance and locally relevant grid emission factors.

- **Scope 3 – Other indirect emissions**

  Emissions will not be disclosed in the current reporting period given the absence of complete and reliable data sets required to produce a consistent and accurate Scope 3 inventory. As CCS strengthens its data collection processes, Scope 3 disclosures may be considered in future periods.

Carbon footprint by Scope and category (tCO_2e)		
	2025	2024
Scope 1 [IFRS S2.29(a)(iv)]	34,656	27,192
Scope 2 (location-based) [IFRS S2.29(a)(iv)–(v)]	58,702	54,670
Total GHG emissions	93,358	81,862

Inputs

Scope 1: Fossil fuel usage and fugitive emissions from CCS Group controlled sources.

Scope 2: Electricity consumption across operational locations.

Scope 3: Not disclosed in the current reporting period.

Assumptions:

CCS uses reasonable and supportable assumptions based on recognised methodologies, including fuel use conversion factors, grid emission factors, and other emission factors aligned with the IPCC AR6 and GHG Protocol. Where direct measurements are not available, conservative and industry aligned assumptions are applied to ensure consistency and reliability in Scope 1 and Scope 2 quantification.

Reasoning for the selected measurement approach, inputs & assumptions

The selected assumptions and inputs reflect the most material and reliably measurable emission sources for CCS. They ensure accurate and consistent quantification of Scope 1 and Scope 2 emissions using available operational data and globally accepted best practice methodologies.

The Group continues to evaluate climate related risks and expects to enhance quantitative disclosures as more complete datasets become available.

Internal carbon pricing

Application of carbon pricing in decision making:

CCS has not implemented an internal carbon pricing mechanism as of 2025 and does not currently apply a carbon price in decision making, capital allocation, investment evaluation, or scenario analysis. The Group continues to monitor regulatory developments and industry practices to determine the appropriate timing and approach for adopting internal carbon pricing in the future.

Price per metric tonne of GHG emissions:

Not applicable as internal carbon pricing has not yet been implemented.

Remuneration

CCS has not integrated ESG or climate related key performance indicators (KPIs) into executive performance evaluation or remuneration frameworks at the present time. However, the Group will consider the possibility of integrating such ESG KPIs into future remuneration structures.

Climate Linked Executive Remuneration (%):

Not applicable as not currently linked to climate related considerations.

Targets (climate targets)

The Group is in the early stages of developing a comprehensive climate related targets framework. While foundational measurement processes for GHG emissions, climate related risks and governance indicators have been established, CCS recognises the need for more robust, data driven methodologies to support long term climate strategy. Over the coming years, CCS intends to strengthen its emissions measurement capabilities, enhance the completeness of climate risk quantification, and explore the integration of internal carbon pricing mechanisms and ESG linked remuneration. As data availability, systems and internal capabilities mature, CCS aims to progressively expand its climate related metrics and introduce science aligned targets to support a more resilient and sustainable operating model.

SLFRS S1 AND S2 RELATED FINANCIAL DISCLOSURES

Industry based metrics

Relevant KPIs set out in the SASB Standards applicable to the CCS Group are presented below.

Table 1: Sustainability Disclosure Topics and Metrics - Non-Alcoholic Beverages

Topic	Metric	Code	Unit of Measure	Ceylon Cold Stores PLC (Manufacturing Sector)
Fleet Fuel Management*	Fleet fuel consumed	FB-NB-110a.1	Gigajoules (GJ)	5,595
	Percentage renewable		Percentage (%)	-
Energy Management*	Operational energy consumed	FB-NB-130a.1	Gigajoules (GJ)	79,124
	Percentage grid electricity		Percentage (%)	70
	Percentage renewable		Percentage (%)	24
Water Management*	Total water withdrawn	FB-NB-140a.1	Thousand cubic meters (m^3)	443
	Total water consumed		Thousand cubic meters (m^3)	275
	Percentage of total water withdrawn in regions with High or Extremely High Baseline Water Stress		Percentage (%)	Based on the World Resources Institute Aqueduct Water Risk Atlas, the Group's operations are located in regions classified as medium to high baseline water stress (20%–40%). Accordingly, no water is withdrawn or consumed from areas classified as high or extremely high baseline water stress during the reporting period.
	Percentage of total water consumed in regions with High or Extremely High Baseline Water Stress		Percentage (%)	
	Description of water management risks and discussion of strategies and practices to mitigate those risks	FB-NB-140a.2	N/A	Water scarcity, poor water quality, and effluent treatment plant failures may disrupt production and result in regulatory, environmental, and reputational impacts. Refer to pages 199 and 200 for further information on risks, strategies and mitigation plans.
Health and Nutrition	Revenue from zero- and low-calorie or energy-free and low-energy beverages	FB-NB-260a.1	Presentation currency (Rs.)	Confidential
	Revenue from no-added-sugar beverages		Presentation currency (Rs.)	Confidential
	Revenue from artificially sweetened beverages		Presentation currency (Rs.)	Confidential
	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	FB-NB-260a.2	N/A	All products comply with applicable regulations, and nutritional information is supported by analytical reports. All ingredients are reviewed and approved by relevant stakeholders prior to onboarding.

**The figures disclosed reflect the full scope of CCS operations.*

Topic	Metric	Code	Unit of Measure	Ceylon Cold Stores PLC (Manufacturing Sector)
Product Labelling and Marketing	Percentage of advertising impressions made on children	FB-NB-270a.1	Percentage (%)	The Businesses abide by the applicable laws including regulations published under the Food Act - Food (Labelling and Advertising) Regulation published by the Ministry of Health, prohibits the promotion of any food directly or indirectly to children under twelve (12) years of age. In line with the regulatory requirement, CCS does not market any products to children below the age of 12 years. Currently, there is no established mechanism to track impressions on children and therefore there is no published data available, to report under this metric.
	Percentage of advertising impressions made on children promoting products that meet dietary guidelines		Percentage (%)	
	Discussion of the applicable dietary guidelines and the method used to estimate advertising impressions		N/A	
	Revenue from products labelled as containing genetically modified organisms (GMOs)	FB-NB-270a.2	Presentation currency (Rs.)	-
	Revenue from products labelled as non-GMO		Presentation currency (Rs.)	-
	Number of incidents of non-compliance with industry or regulatory labelling or marketing codes	FB-NB-270a.3	Number	-
	Total amount of monetary losses as a result of legal proceedings associated with marketing or labelling practices	FB-NB-270a.4	Presentation currency (Rs.)	-
Packaging Lifecycle Management	Total weight of packaging	FB-NB-410a.1	Metric tonnes (MT)	6,097
	Percentage made from recycled or renewable materials		Percentage (%)	-
	Percentage that is recyclable, reusable, or compostable		Percentage (%)	98
	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	FB-NB-410a.2	N/A	The business reduces packaging lifecycle impacts through compliance checks, adoption of sustainable packaging solutions supported by collaboration with recyclers and retailers to enhance recovery, recycling, and responsible end-of-life management aligning with Extended Product Responsibility requirements. Refer to pages 105 to 107,197 and 198 for further information on strategies and mitigation plans.

SLFRS S1 AND S2 RELATED FINANCIAL DISCLOSURES

Topic	Metric	Code	Unit of Measure	Ceylon Cold Stores PLC (Manufacturing Sector)
Environmental and Social Impacts of Ingredient Supply Chain	Suppliers' social and environmental responsibility audit non-conformance rate for major non-conformances	FB-NB-430a.1	Rate	-
	Suppliers' social and environmental responsibility audit non-conformance rate for minor non-conformances		Rate	3.6
	Associated corrective action rate for major non-conformances		Rate	-
	Associated corrective action rate for minor non-conformances		Rate	79%
Ingredient Sourcing	Percentage of beverage ingredients sourced from regions with High or Extremely High Baseline Water Stress	FB-NB-440a.1	Percentage (%) by cost	4
	List of priority beverage ingredients and discussion of sourcing risks related to environmental and social considerations	FB-NB-440a.2	N/A	➲ Water ➲ Locally grown ginger The business has identified risks such as disruptions to supply chain as a result of chronic physical risks of climate change and supply chain partner sanctions as material risks which may impact supply continuity, cost stability, and reputation. *Refer to page 194 for further information on strategies and mitigation plans.*

Table 1a: Activity Metrics

Activity Metrics	Code	Unit of Measure	Ceylon Cold Stores PLC (Manufacturing Sector)
Volume of products sold	FB-NB-000.A	Millions of hectolitres (Mhl)	Confidential
Number of production facilities	FB-NB-000.B	Number	3 (3 outsourced)
Total fleet road kilometres travelled	FB-NB-000.C	Kilometers (km)	N/A - Fleet operated by a third party

Table 2: Sustainability Disclosure Topics and Metrics – Meat, Poultry and Dairy

Topic	Metric	Code	Unit of Measure	Ceylon Cold Stores PLC -Ranala	The Colombo Ice Company (Pvt) Ltd
Greenhouse Gas Emissions	Gross global Scope 1 emissions	FB-MP-110a.1	Metric tonnes (MT) CO_2-e	6,344.00	2,039.00
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	FB-MP-110a.2	N/A	The businesses focus on operational controls, preventive maintenance, and process optimisation to improve efficiency and reduce emissions from both fuel and refrigerants. Performance is monitored against internal KPIs. Further, Ceylon Cold Stores PLC is certified against ISO 50001:2018 standards. *Refer Natural Capital section for further information.*	
Energy Management*	Total energy consumed	FB-MP-130a.1	Gigajoules (GJ)	79,009	53,795
	Percentage of grid electricity		Percentage (%)	63	60
	Percentage of renewable energy		Percentage (%)	24	0
Water Management*	Total water withdrawn	FB-MP-140a.1	Thousand cubic metres (m^3)	396	108
	Total water consumed		Thousand cubic metres (m^3)	229	20
	Percentage of water withdrawn in regions with High or Extremely High Baseline Water Stress		Percentage (%)	Based on the World Resources Institute Aqueduct Water Risk Atlas, the Group's operations are located in regions classified as medium to high baseline water stress (20%–40%). Accordingly, no water is withdrawn or consumed from areas classified as high or extremely high baseline water stress during the reporting period.	
	Percentage of total water consumed in regions with High or Extremely High Baseline Water Stress		Percentage (%)		
	Description of water management risks and discussion of strategies and practices to mitigate those risks	FB-MP-140a.2	N/A	Risks for the businesses include high process water use, potential wastewater pollution, and disruptions from water scarcity, poor water quality, and effluent treatment plant failures, which may impact operations and lead to regulatory, environmental, and reputational consequences; these are mitigated through water efficiency initiatives, effective effluent treatment and discharge compliance, and continuous monitoring. Refer to page 199 and 200 for further information on strategies and mitigation plans.	

**The figures disclosed reflect the full scope of CCS Ranala and CICL operations.*

SLFRS S1 AND S2 RELATED FINANCIAL DISCLOSURES

Topic	Metric	Code	Unit of Measure	Ceylon Cold Stores PLC -Ranala	The Colombo Ice Company (Pvt) Ltd
	Number of incidents of non-compliance associated with water quality permits, standards and regulations	FB-MP-140a.3	Number	-	-
Land Use and Ecological Impacts	Amount of animal litter and manure generated	FB-MP-160a.1	Metric tonnes (MT)	N/A - as the businesses are engaged in processed food manufacturing and does not conduct livestock farming, grazing, or confined animal feeding operations.	
	Percentage managed according to a nutrient management plan		Percentage (%)		
	Percentage of pasture and grazing land managed to conservation plan criteria	FB-MP-160a.2	Percentage (%) by hectares		
	Animal protein production from confined animal feeding operations	FB-MP-160a.3	Metric tonnes (MT)		
Food Safety	Global Food Safety Initiative (GFSI) audit non-conformance rates for major non-conformances	FB-MP-250a.1	Rate	Not Applicable - food safety is managed through the ISO 22000:2018-management system.	
	Global Food Safety Initiative (GFSI) audit non-conformance rates for minor non-conformances		Rate		
	Associated corrective action rates for major non-conformances		Rate		
	Associated corrective action rates for minor non-conformances		Rate		
	Percentage of supplier facilities certified to a Global Food Safety Initiative (GFSI) food safety certification programme	FB-MP-250a.2	Percentage (%)	-	-
	Number of recalls issued	FB-MP-250a.3	Number	-	-
	Total weight of products recalled		Metric tonnes (MT)	-	-
	Discussion of markets that ban imports of the entity's products	FB-MP-250a.4	N/A	N/A	
Antibiotic Use in Animal Production	Percentage of animal production that received medically important antibiotics, by animal type	FB-MP-260a.1	Percentage (%) by weight	-	-
	Percentage of animal production that received not medically important antibiotics, by animal type		Percentage (%) by weight	Unable to report due to limited information.	
Workforce Health and Safety	Total recordable incident rate (TRIR) - Direct employees	FB-MP-320a.1	Rate	0.8	0.5
	Total recordable incident rate (TRIR) - Contract employees		Rate	16	-
	Fatality rate for direct employees		Rate	-	-
	Fatality rate for contract employees		Rate	-	-

Topic	Metric	Code	Unit of Measure	Ceylon Cold Stores PLC -Ranala	The Colombo Ice Company (Pvt) Ltd
	Description of efforts to assess, monitor, and mitigate acute and chronic respiratory health conditions	FB-MP-320a.2	N/A	Respiratory health risks are managed in line with the Group's Health and Safety policy, with manufacturing facilities certified to and aligned with ISO 45001:2018 Standards. Controls include maintaining air quality, managing emissions, and implementing appropriate workplace safeguards, supported by employee training and the provision of personal protective equipment, to mitigate both acute and chronic respiratory health risks. *Refer to pages 78 to 80 for further information on health and safety management.*	
Animal Care and Welfare	Percentage of pork produced without the use of gestation crates	FB-MP-410a.1	Percentage (%) by weight	N/A	N/A
	Percentage of cage-free shell egg sales	FB-MP-410a.2	Percentage (%)	N/A	N/A
	Percentage of production certified to a third-party animal welfare standard	FB-MP-410a.3	Percentage (%) by weight	N/A	N/A
Environmental and Social Impacts of Animal Supply Chain	Percentage of livestock from suppliers implementing conservation plan criteria	FB-MP-430a.1	Percentage (%) by weight	N/A	N/A
	Percentage of supplier and contract production facilities verified to meet animal welfare standards	FB-MP-430a.2	Percentage (%)	-	-
Animal and Feed Sourcing	Percentage of animal feed sourced from regions with High or Extremely High Baseline Water Stress	FB-MP-440a.1	Percentage (%) by weight	Based on the World Resources Institute Aqueduct Water Risk Atlas, the Group's operations are located in regions classified as medium to high baseline water stress (20%–40%). Accordingly, no water is withdrawn or consumed from areas classified as high or extremely high baseline water stress during the reporting period.	
	Percentage of contracts with producers located in regions with High or Extremely High Baseline Water Stress	FB-MP-440a.2	Percentage (%) by contract value		
	Discussion of strategy to manage opportunities and risks to feed sourcing and livestock supply presented by climate change	FB-MP-440a.3	N/A	N/A	N/A

Table 2a: Activity Metrics

Activity Metrics	Code	Unit of Measure	Ceylon Cold Stores PLC -Ranala	The Colombo Ice Company (Pvt) Ltd
Number of processing and manufacturing facilities	FB-MP-000.A	Number	1	1
Animal protein production, by category; percentage outsourced	FB-MP-000.B	Various, Percentage (%)	N/A	N/A

SLFRS S1 AND S2 RELATED FINANCIAL DISCLOSURES

Table 3: Sustainability Disclosure Topics and Metrics – Processed Foods

Topic	Metric	Code	Unit of Measure	Ceylon Cold Stores PLC - Ranala	The Colombo Ice Company (Pvt) Ltd
Energy Management*	Total energy consumed	FB-PF-130a.1	Gigajoules (GJ)	79,009	53,795
	Percentage grid electricity		Percentage (%)	63	60
	Percentage renewable		Percentage (%)	24	0
Water Management*	Total water withdrawn	FB-PF-140a.1	Thousand cubic meters (m^3)	396	108
	Total water consumed		Thousand cubic meters (m^3)	229	20
	Percentage of total water withdrawn in regions with High or Extremely High Baseline Water Stress		Percentage (%)	-	
	Percentage of water consumed in regions with High or Extremely High Baseline Water Stress		Percentage (%)	-	-
	Number of incidents of non-compliance associated with water quality permits, standards and regulations	FB-PF-140a.2	Number	-	-
	Description of water management risks and discussion of strategies and practices to mitigate those risks	FB-PF-140a.3	n/a	Water management risks include high process water use, potential wastewater pollution, and disruptions from water scarcity, poor water quality, and ETP failures, which may impact operations and lead to regulatory, environmental, and reputational consequences; these are mitigated through water efficiency initiatives, effective effluent treatment and discharge compliance, and continuous monitoring. Refer to page 104,199 and 200 for further information on strategies and mitigation plans.	
Food Safety	Global Food Safety Initiative (GFSI) audit non-conformance rates for major non-conformances	FB-PF-250a.1	Rate	N/A - The businesses are not certified under a GFSI recognised standard; however, food safety is managed through ISO 22000:2018-management system.	
	Global Food Safety Initiative (GFSI) audit non-conformance rates for minor non-conformances		Rate		
	Global Food Safety Initiative (GFSI) audit associated corrective action rates for major non-conformances		Rate		
	Global Food Safety Initiative (GFSI) audit associated corrective action rates for major non-conformances		Rate		

**These figures cover the total operations of CCS Ranala & CICL plants.*

Topic	Metric	Code	Unit of Measure	Ceylon Cold Stores PLC - Ranala	The Colombo Ice Company (Pvt) Ltd
	Percentage of ingredients sourced from Tier 1 supplier facilities certified to a Global Food Safety Initiative (GFSI) recognised food safety certification programme	FB-PF-250a.2	Percentage (%) by cost	-	-
	Total number of notices of food safety violation received	FB-PF-250a.3	Number	-	-
	Percentage corrected		Percentage (%)	-	-
	Number of recalls issued	FB-PF-250a.4	Number	-	-
	Total amount (weight) of food products recalled		Metric tonnes (MT)	-	-
Health and Nutrition	Revenue from products labelled or marketed to promote health and nutrition attributes	FB-PF-260a.1	Presentation currency (Rs.)	Confidential	-
	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	FB-PF-260a.2	N/A	The businesses identify and manage nutrition and health-related risks through regulatory compliance, ingredient approval processes, and nutritional analysis. Consumer concerns (e.g., salt, sugar, allergens) are monitored, with clear labelling, periodic product reviews, and reformulation driven by feedback, emerging health trends, and regulatory requirements.	
Product Labelling and Marketing	Percentage of advertising impressions made on children	FB-PF-270a.1	Percentage (%)	The businesses abide by the applicable laws including regulations published under the Food Act. Food (Labelling & Advertising) Regulation published by the Ministry of Health, prohibits the promotion of any food directly or indirectly to children under twelve (12) years of age. In line with the regulatory requirement, businesses do not market any products to children below the age of 12 years.	
	Percentage of advertising impressions made on children promoting products that meet dietary guidelines		Percentage (%)		
	Discussion of applicable dietary guidelines and the method used to estimate advertising impressions.		N/A		
	Revenue from products labelled as containing genetically modified organisms (GMOs)	FB-PF-270a.2	Presentation currency (Rs.)	-	-
	Revenue from products labelled as containing non-GMO		Presentation currency (Rs.)	Confidential	Confidential
	Number of incidents of non-compliance with industry or regulatory labelling or marketing codes	FB-PF-270a.3	Number	-	-
	Total amount of monetary losses as a result of legal proceedings associated with labelling or marketing practices	FB-PF-270a.4	Presentation currency (Rs.)	-	-

SLFRS S1 AND S2 RELATED FINANCIAL DISCLOSURES

Topic	Metric	Code	Unit of Measure	Ceylon Cold Stores PLC - Ranala	The Colombo Ice Company (Pvt) Ltd
Packaging Lifecycle Management	Total weight of packaging	FB-PF-410a.1	Metric tonnes (MT)	491	262
	Percentage made from recycled or renewable materials		Percentage (%)	-	-
	Percentage that is recyclable, reusable, or compostable		Percentage (%)	100	Information is not available
	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	FB-PF-410a.2	N/A	The businesses reduce packaging lifecycle impacts through compliance checks, adoption of sustainable packaging solutions supported by collaboration with recyclers and retailers to enhance recovery, recycling, and responsible end-of-life management aligning with Extended Product Responsibility requirements. *Please refer to pages 105 to107,197 and 198 for further information on strategies and mitigation plans.*	
Environmental and Social Impacts of Ingredient Supply Chain	➲ Percentage of food ingredients sourced that are certified to third-party environmental or social standards	FB-PF-430a.1	Percentage (%) by cost	27	51
	➲ ISO 14001:2015 Environmental Management System		Percentage (%) by cost	17	32
	➲ Sedex Members Ethical Trade Audit Standard		Percentage (%) by cost	17	14
	➲ Roundtable on Sustainable Palm Oil Certification		Percentage (%) by cost	66	53
	➲ US FDA Safety and Regulatory Standards		Percentage (%) by cost	-	1
	Suppliers' social and environmental responsibility audit non-conformance rate for major non-conformances	FB-PF-430a.2	Rate	-	-
	Suppliers' social and environmental responsibility audit non-conformance rate for minor non-conformances		Rate	4.2	2.9
	Associated corrective action rate for major non-conformances		Rate	-	-
	Associated corrective action rate for minor non-conformances		Rate	75%	95%

Topic	Metric	Code	Unit of Measure	Ceylon Cold Stores PLC - Ranala	The Colombo Ice Company (Pvt) Ltd
Ingredient Sourcing	Percentage of food ingredients sourced from regions with High or Extremely High Baseline Water Stress	FB-PF-440a.1	Percentage (%) by cost	1.5	-
	List of priority food ingredients and discussion of sourcing risks related to environmental and social considerations	FB-PF-440a.2	N/A	**List of priority food** ➲ Vegetable fat: Deforestation and regulatory risks ➲ Cocoa: Yield volatility ➲ Sugar: Water stress and climate variability ➲ Fresh milk: Yield volatility and animal welfare concerns ➲ Skimmed milk powder and whey powder: Yield volatility and animal welfare concerns ➲ Fruit-based ingredients: Climate exposure, crop failure, and smallholder farmer vulnerability. **Approach:** Enhanced governance for commodities with higher environmental and social risks. Continuous monitoring of commodity price and supply drivers. Diversification of sourcing locations to strengthen supply resilience. *Refer to pages 97 and 98 for further information.*	

Table 3a: Activity Metric

Activity Metrics	Code	Unit of Measure	Ceylon Cold Stores PLC - Ranala	The Colombo Ice Company (Pvt) Ltd
Weight of products sold in	FB-PF-000.A	Metric tonnes (MT)	Confidential	Confidential
Number of production facilities	FB-PF-000.B	Number	1	1

SLFRS S1 AND S2 RELATED FINANCIAL DISCLOSURES

Table 4: Sustainability Disclosure Topics and Metrics – Food Retailers and Distributors

Topic	Metric	Code	Unit of Measure	JayKay Marketing Services (Pvt) Ltd	Logipark International
Fleet Fuel Management	Fleet fuel consumed	FB-FR-110a.1	Gigajoules (GJ)	5	-
	Percentage of renewable fuel		Percentage (%)	-	-
Air Emissions from Refrigeration	Gross global Scope 1 emissions from refrigerants	FB-FR-110b.1	Metric tonnes (MT) CO_2-e	20,821	3,155
	Percentage of refrigerants consumed with zero ozone-depleting potential	FB-FR-110b.2	Percentage (%) by weight	94	99
	Average refrigerant emissions rate	FB-FR-110b.3	Percentage (%)	100	100
Energy Management	Operational energy consumed	FB-FR-130a.1	Gigajoules (GJ)	325,933	5,119
	Percentage of grid electricity		Percentage (%)	72	98
	Percentage of renewable energy		Percentage (%)	20	_
Food Waste Management	Amount of food waste generated	FB-FR-150a.1	Metric tonnes (MT)	7,034	N/A
	Percentage diverted from the waste stream		Percentage (%)	100	N/A
	Quantification methods used to calculate the amount of food waste and inedible parts		N/A	Food waste and inedible parts are quantified using internal monitoring records. The general metric is kg. Where items are recorded in units, a conversion formula is applied to convert the quantity into kilograms, wherever possible and relevant.	N/A
Data Security	Number of data breaches	FB-FR-230a.1	Number	-	-
	Percentage that are personal data breaches		Percentage (%)	-	-
	Number of customers affected		Number	-	-
	Description of approach to identifying and addressing data security risks	FB-FR-230a.2	N/A	The business units have implemented a structured data protection and cybersecurity framework to identify, assess and mitigate risks relating to the processing of personal data in compliance with the data protection regulations. This includes periodic risk assessments, implementation of technical and organisational controls, employee awareness programmes, access management procedures, incident response mechanisms, and continuous monitoring of information security practices. The business units also maintain governance and accountability measures to support the confidentiality, integrity and lawful processing of personal data. *Refer to page 86 for further information on Privacy, Data and Cybersecurity.*	

Topic	Metric	Code	Unit of Measure	JayKay Marketing Services (Pvt) Ltd	Logipark International
Food Safety	High-risk food safety violation rate	FB-FR-250a.1	Rate	-	N/A
	Number of food safety recalls	FB-FR-250a.2	Number	18	N/A
	Number of units recalled		Number	10,032	N/A
	Percentage of units recalled that are private-label products		Percentage (%)	12.15	N/A
	Notable recalls such as those that affected a significant number of customers or those related to serious illnesses, injuries, or fatalities.		N/A	-	N/A
Product Health and Nutrition	Revenue from products labelled or marketed to promote health and nutrition attributes	FB-FR-260a.1	Presentation currency (Rs)	Confidential	N/A
	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	FB-FR-260a.2	N/A	Nutritional and health-related risks are managed through a structured process for private-label products, including compliance with applicable food safety and consumer protection regulations. Product labels are developed in line with the applicable regulations, ensuring transparency on ingredients, allergens, and nutritional information. This enables identification of potential health concerns and supports informed consumer choices.	N/A
Product Labelling and Marketing	Number of incidents of non-compliance with industry or regulatory labelling or marketing codes	FB-FR-270a.1	Number	1	N/A
	Total amount of monetary losses as a result of legal proceedings associated with marketing or labelling practices	FB-FR-270a.2	Presentation currency (Rs)	10,000.00	N/A
	Describe the nature, context and any corrective actions taken because of monetary losses		N/A	Incorrect colour coding was corrected by applying a sticker with advice from authorities. New artwork printing is in progress for future productions.	N/A

SLFRS S1 AND S2 RELATED FINANCIAL DISCLOSURES

Topic	Metric	Code	Unit of Measure	JayKay Marketing Services (Pvt) Ltd	Logipark International
	Revenue from products labelled as containing genetically modified organisms (GMOs)	FB-FR-270a.3	Presentation currency (Rs)	-	N/A
	Revenue from products labelled as non-GMO		Presentation currency (Rs)	N/A	N/A
Labour Practices	Average hourly wage	FB-FR-310a.1	Presentation currency (Rs)	400	227.65
	Percentage of in-store and distribution centre employees earning minimum wage, by region (Sri Lanka)		Percentage (%)	0.1	_
	Percentage of active workforce employed under collective agreements	FB-FR-310a.2	Percentage (%)	-	59
	Number of work stoppages	FB-FR-310a.3	Number	-	-
	Total days idle		Days idle	-	-
	Total amount of monetary losses as a result of legal proceedings associated with labour law violations	FB-FR-310a.4	Presentation currency (Rs)	-	-
	Total amount of monetary losses as a result of legal proceedings associated with employment discrimination		Presentation currency (Rs)	-	-
Management of Environmental and Social Impacts in the Supply Chain	Revenue from products third-party certified to environmental or social sustainability sourcing standards	FB-FR-430a.1	Presentation currency (Rs)	-	N/A
	Percentage of revenue from eggs that originated from a cage-free environment	FB-FR-430a.2	Percentage (%) by revenue	This information has not been reported for the current year, as there is no established process within the Group to capture these specific supplier-level metrics, particularly in the absence of a formal reporting requirement. However, the Group recognises the importance of these disclosures and is currently exploring ways to incorporate the necessary data points into the annual food supplier review process, in collaboration with the audit partner. Moving forward, steps will be taken to develop a suitable data collection approach to support reporting in future periods.	N/A

Topic	Metric	Code	Unit of Measure	JayKay Marketing Services (Pvt) Ltd	Logipark International
	Percentage of revenue from pork produced without the use of gestation crates		Percentage (%) by revenue	N/A	N/A
	Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare	FB-FR-430a.3	N/A	Private label suppliers undergo annual sourcing audits conducted by the JMSL QA team, based on a checklist developed in alignment with the JKH Group Sustainability Supplier Impact Assessment framework.	N/A
	Discussion of strategies to reduce the environmental impact of packaging	FB-FR-430a.4	N/A	The business reduced the environmental impact of packaging by introducing compostable packaging at vegetable, fruit, meat and seafood counters, resulting in a saving of over 50 million single-use polythene bags. *Refer to pages 105 to 107,197 and 198 for further information.*	N/A

Table 4a: Activity Metric

Activity Metric	Code	Unit of Measure	JayKay Marketing Services (Pvt) Ltd	Logipark International (Pvt) Ltd
Number of retail locations	FB-FR-000.A	Number	147	N/A
Number of distribution centres	FB-FR-000.A	Number	N/A	1
Total area of retail space	FB-FR-000.B	Square meters (m^2)	154,640	N/A
Total area of distribution centres	FB-FR-000.B	Square meters (m^2)	N/A	26,098
Number of vehicles in commercial fleet	FB-FR-000.C	Number	N/A	N/A
Tonne-kilometers travelled	FB-FR-000.D	Tonne kilometers	N/A	N/A

SLFRS S1 AND S2 RELATED FINANCIAL DISCLOSURES

Table 5: Sustainability Disclosure Topics and Metrics – Air Freight and Logistics

Topic	Metric	Code	Unit of Measure	Logipark International (Pvt) Ltd
Greenhouse Gas Emissions	Gross global Scope 1 emissions	TR-AF-110a.1	Metric tonnes (t) CO_2-e	3,164
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	TR-AF-110a.2	N/A	Scope 1 emissions arise primarily from refrigerants and generator fuel consumption. Short-term actions focus on leak detection, preventive maintenance, and optimising generator efficiency. Performance is monitored on a quarterly basis, with year-on-year comparisons against prior performance. While formal long-term absolute reduction targets are being developed at Group level as part of the net zero transition roadmap, current focus remains on continuous improvement in efficiency and emissions intensity reduction.
	Fuel consumed by road transport	TR-AF-110a.3	Gigajoules (GJ),	N/A as all vehicles are outsourced.
	Percentage of natural gas		Percentage (%)	N/A
	Percentage of renewable energy		Percentage (%)	N/A
	Fuel consumed by air transport		Gigajoules (GJ),	N/A
	Percentage of alternative fuel consumed		Percentage (%)	N/A
	Percentage of sustainable fuel consumed		Percentage (%)	N/A
Air Quality	Air emissions of the following pollutants: 1. NOx (excluding N2O) 2. SOx 3. Particulate Matter (PM)	TR-AF-120a.1	Metric tonnes (MT)	N/A as all vehicles are outsourced.
			Metric tonnes (MT)	N/A
			Metric tonnes (MT)	N/A
Labour Practices	Percentage of drivers classified as independent contractors	TR-AF-310a.1	Percentage (%)	64.5
	Total amount of monetary losses as a result of legal proceedings associated with labour law violations	TR-AF-310a.2	Presentation currency (Rs)	N/A

Topic	Metric	Code	Unit of Measure	Logipark International (Pvt) Ltd
Workforce Health and Safety	Total recordable incident rate (TRIR) for direct employees	TR-AF-320a.1	Rate	*4.67*
	Total recordable incident rate (TRIR) for contract employees		Rate	*2.1*
	Fatality rate for direct employees		Rate	-
	Fatality rate for contract employees		Rate	-
Supply Chain Management	Total greenhouse gas (GHG) footprint across transport modes	TR-AF-430a.2	Metric tonnes (t) CO_2-e per tonne-kilometre	N/A as all vehicles are outsourced.
	Discussion of policies and strategies to identify, assess and manage business disruption risks associated with contract carrier safety	TR-AF-430a.3	N/A	LPIL identifies and manages business disruption risks associated with contract carrier safety through structured risk assessments, considering external factors such as extreme weather events, fuel shortages, civil unrest, and economic and political conditions. Transport operations are supported by a Transport Management System (TMS), with enhancements underway through AI-enabled monitoring to improve real-time visibility, route optimisation, driver behaviour monitoring, and fatigue detection. All contract carriers are governed by standardised operating procedures, supported by regular safety audits and compliance checks. Annual training programmes and quarterly audits, aligned with ISO 45001:2018 and ISO 9001:2015, ensure continuous monitoring, corrective action, and performance improvement. These measures strengthen transport safety, reduce accident risks, and minimise operational disruptions across the supply chain.

SLFRS S1 AND S2 RELATED FINANCIAL DISCLOSURES

Topic	Metric	Code	Unit of Measure	Logipark International (Pvt) Ltd
Accident and Safety Management	Description of implementation and outcomes of a Safety Management System	TR-AF-540a.1	N/A	LPIL has a Health and Safety Policy and is ISO 45001:2018 certified Implementation is demonstrated through key controls such as: Managing MHE and transport risks through speed limits, defensive driving training, and regular toolbox sessions Preventing falling objects through proper palletisation and removal of damaged pallets Reducing manual handling risks through targeted training programmes Controlling high-risk activities (e.g. work at height, hot work, confined space entry) via a Permit-to-Work system Strengthening fire safety through continuous monitoring and dedicated personnel Encouraging incident reporting, including near misses and hazards, to support proactive risk management The effectiveness of the management system is reinforced through ongoing monitoring, audits, and incident investigations. These measures have contributed to improved safety awareness, stronger compliance with safety procedures, and the proactive identification and mitigation of operational risks.
	Number of aviation accidents	TR-AF-540a.2	Number	N/A
	Number of road accidents and incidents	TR-AF-540a.3	Number	60

Table 5a: Activity Metric

Activity Metric	Code	Unit of Measure	Logipark International (Pvt) Ltd
Revenue tonne-kilometres (RTK) for road transport (Air Transport – N/A)	TR-AF-000.A	RTK	N/A
Load factor for road transport (Air Transport – N/ A)	TR-AF-000.B	Rate	Outsourced vehicle fleet, hence this is not monitored.
Number of employees	TR-AF-000.C	Number	633
Number of truck drivers	TR-AF-000.C	Number	201 (Contract)


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Keells
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இன்னைக்கு Keells ல
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INDEPENDENT PRACTITIONER'S ASSURANCE REPORT

Shape the future with confidence

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Independent practitioner's assurance report to the Board of Directors of Ceylon Cold Stores PLC on the Sustainability reporting criteria presented in the Integrated Annual Report FY 2025/26

Scope

We have been engaged by Ceylon Cold Stores PLC to perform a 'limited assurance engagement,' as defined by Sri Lanka Standard on Assurance Engagements, here after referred to as the engagement, to report on Ceylon Cold Stores PLC's Economic, Environment, Social and Governance (EESG) indicators (the "Subject Matter") contained in Ceylon Cold Stores PLC's (the "Entity's") Integrated Annual Report for the year ended 31 March 2026 (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Ceylon Cold Stores PLC

In preparing the Subject Matter, Ceylon Cold Stores PLC applied the following criteria ("Criteria"):

The Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines, publicly available at https://www.globalreporting.org

Such Criteria were specifically designed for the purpose of assisting you in determining whether Entity's Economic, Environment, Social and Governance (EESG) indicators contained in the Entity's Report is presented in accordance with the relevant criteria; As a result, the subject matter information may not be suitable for another purpose.

Ceylon Cold Stores PLC's responsibilities

Ceylon Cold Stores PLC management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

Ernst & Young's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the Sri Lanka Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (SLSAE 3000 (Revised), and the terms of reference for this engagement as agreed with the Ceylon Cold Stores PLC on 21 April 2026. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the subject matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

Validated the information presented and checked the calculations performed by the organisation through recalculation.

Performed a comparison of the content given in the Report against the criteria given in the selected sustainability standards/frameworks.

Conducted interviews with relevant organisation's personnel to understand the process for collection, analysis, aggregation and presentation of data. Interviews included selected key management personnel and relevant staff.

Read the content presented in the Report for consistency with our overall knowledge obtained during the course of our assurance engagement and requested changes wherever required.

Provided guidance, recommendations and feedback on the improvement of the sustainability reporting indicators to improve the presentation standard.

We also performed such other procedures as we considered necessary in the circumstances.

Emphasis of matter

Economic, Environment, Social management data/information are subject to inherent limitations given their nature and the methods used for determining, calculating and estimating such data. Such inherent limitations are common in Sri Lanka.

We also do not provide any assurance on the assumptions and achievability of prospective information presented in the Entity's Report.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the information on the Economic, Environment, Social and Governance (EESG) contained in the Integrated Annual Report of Ceylon Cold Stores PLC for the year ended 31 March 2026, in order for it to be in accordance with the Criteria.

Ernst + Young

25th May 2026

Colombo

Partners: D K Hulangamuwa FCA FCMA LLB (London), Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA FCCA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, N M Sulaiman FCA FCMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajeewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage FCA ACMA, C A Yalagala ACA ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), B Vasanthan ACA ACMA, W D P L Perera ACA, M U M Mansoor ACA

Principals: T P M Ruberu FCMA FCCA MBA, G B Goudian ACMA, D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shakthivel B.Com (Sp)

A member firm of Ernst & Young Global Limited

GRI INDEX

Statement of use	Ceylon Cold Stores PLC has reported in accordance with the GRI Standards for the period 1st April 2025 to 31st March 2026
GRI 1 used	GRI 1: Foundation 2021

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
General Disclosures					
GRI 2: General Disclosures 2021	2-1 Organisational details	8	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.		
	2-2 Entities included in the organisation's sustainability reporting	8			
	2-3 Reporting period, frequency and contact point	8, 10			
	2-4 Restatements of information	8,105			
	2-5 External assurance	9			
	2-6 Activities, value chain and other business relationships	8, 23, 48, 50-56, 58-62, 64-66, 87-89, 90-94, 96-100			
	2-7 Employees	76			
	2-8 Workers who are not employees	76			
	2-9 Governance structure and composition	115-119			
	2-10 Nomination and selection of the highest governance body	119, 120			
	2-11 Chair of the highest governance body	118			
	2-12 Role of the highest governance body in overseeing the management of impacts	116-118			
	2-13 Delegation of responsibility for managing impacts	135-136			
	2-14 Role of the highest governance body in sustainability reporting	117, 148-155, 162			
	2-15 Conflicts of interest	122, 123			
	2-16 Communication of critical concerns	146-148			
	2-17 Collective knowledge of the highest governance body	119, 120			
	2-18 Evaluation of the performance of the highest governance body	122, 128			
	2-19 Remuneration policies	125, 264			
	2-20 Process to determine remuneration	127-128, 264			
	2-21 Annual total compensation ratio		2-21	Confidentiality constraints	Industry does not disclose this information due to confidentiality constraints.
	2-22 Statement on sustainable development strategy	15-22			
	2-23 Policy commitments	112-113, 147, 156-157			
	2-24 Embedding policy commitments	112-113, 147, 156-157			
	2-25 Processes to remediate negative impacts	162-163			
	2-26 Mechanisms for seeking advice and raising concerns	58-59, 146-148			
	2-27 Compliance with laws and regulations	20, 59, 95			
	2-28 Membership associations	99			
	2-29 Approach to stakeholder engagement	58-59			
	2-30 Collective bargaining agreements	76, 81			

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
Material Topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	44-45	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.		
	3-2 List of material topics	44, 46-47			
Economic performance					
GRI 3: Material Topics 2021	3-3 Management of material topics	56, 58-62, 64-65, 102, 177-179,186-193,210-213,228-231,337-340			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	58-62, 64-65			
	201-2 Financial implications and other risks and opportunities due to climate change	56, 102, 177-179, 186-193, 210-213, 228-231			
	201-3 Defined benefit plan obligations and other retirement plans	337-340			
	201-4 Financial assistance received from government	59			
Market presence					
GRI 3: Material Topics 2021	3-3 Management of material topics	76			
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage		202-1	Confidentiality constraints	CCS Group does not disclose this information due to confidentiality constraints.
	202-2 Proportion of senior management hired from the local community	76			
Indirect economic impacts					
GRI 3: Material Topics 2021	3-3 Management of material topics	71-73, 84-86, 96-100			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	71-73, 84-86			
	203-2 Significant indirect economic impacts	96-100			
Procurement practices					
GRI 3: Material Topics 2021	3-3 Management of material topics	59,90-100			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	59, 98			
Anti-corruption					
GRI 3: Material Topics 2021	3-3 Management of material topics	120,156,157, 162			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	162			
	205-2 Communication and training about anti-corruption policies and procedures	120, 156-157			
	205-3 Confirmed incidents of corruption and actions taken	162			
Anti-competitive behaviour					
GRI 3: Material Topics 2021	3-3 Management of material topics	157			
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	157			

GRI INDEX

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
Tax					
GRI 3: Material Topics 2021	3-3 Management of material topics	69, 145-146, 309-314			
GRI 207: Tax 2019	207-1 Approach to tax	69, 145-146, 309-314			
	207-2 Tax governance, control, and risk management	69, 145-146, 309-314			
	207-3 Stakeholder engagement and management of concerns related to tax	69, 145-146, 309-314			
	207-4 Country-by-country reporting		207-4	Not applicable	The Group operates only in Sri Lanka
Materials					
GRI 3: Material Topics 2021	3-3 Management of material topics	105			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	105			
	301-2 Recycled input materials used	105			
	301-3 Reclaimed products and their packaging materials	105			
Energy					
GRI 3: Material Topics 2021	3-3 Management of material topics	102-103			
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	103			
	302-2 Energy consumption outside of the organisation		302-2	Information unavailable/ incomplete	Information unavailable/ incomplete
	302-3 Energy intensity	103			
	302-4 Reduction of energy consumption	103			
Water and effluents					
GRI 3: Material Topics 2021	3-3 Management of material topics	104			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	104			
	303-2 Management of water discharge-related impacts	104			
	303-3 Water withdrawal	104			
	303-4 Water discharge	104			
	303-5 Water consumption	104			
Emissions					
GRI 3: Material Topics 2021	3-3 Management of material topics	103			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	103			
	305-2 Energy indirect (Scope 2) GHG emissions	103			
	305-3 Other indirect (Scope 3) GHG emissions	103			
	305-4 GHG emissions intensity	103			
	305-5 Reduction of GHG emissions	103			
	305-6 Emissions of ozone-depleting substances (ODS)	103			
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	103			

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
Waste					
GRI 3: Material Topics 2021	3-3 Management of material topics	105-107			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	105-107			
	306-2 Management of significant waste-related impacts	105-107			
	306-3 Waste generated	107			
	306-4 Waste diverted from disposal	107			
	306-5 Waste directed to disposal	107			
Supplier environmental assessment					
GRI 3: Material Topics 2021	3-3 Management of material topics	97-98			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	98			
	308-2 Negative environmental impacts in the supply chain and actions taken	98			
Employment					
GRI 3: Material Topics 2021	3-3 Management of material topics	77, 81-82			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	77			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	81			
	401-3 Parental leave	82			
Labour/management relations					
GRI 3: Material Topics 2021	3-3 Management of material topics	81			
GRI 402: Labour/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	81			
Occupational health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	79			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	79			
	403-2 Hazard identification, risk assessment, and incident investigation	79			
	403-3 Occupational health services	79			
	403-4 Worker participation, consultation, and communication on occupational health and safety	79			
	403-5 Worker training on occupational health and safety	79			
	403-6 Promotion of worker health	79			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	79			
	403-8 Workers covered by an occupational health and safety management system	79			
	403-9 Work-related injuries	79			
	403-10 Work-related ill health	79			

GRI INDEX

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
Training and education					
GRI 3: Material Topics 2021	3-3 Management of material topics	79-82			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	80,82			
	404-2 Programs for upgrading employee skills and transition assistance programs	79-80			
	404-3 Percentage of employees receiving regular performance and career development reviews	81			
Diversity and equal opportunity					
GRI 3: Material Topics 2021	3-3 Management of material topics	76, 119			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	76, 119			
	405-2 Ratio of basic salary and remuneration of women to men		405-2	Confidentiality constraints	CCS Group does not disclose this information due to confidentiality constraints.
Non-discrimination					
GRI 3: Material Topics 2021	3-3 Management of material topics	75			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	75			
Freedom of association and collective bargaining					
GRI 3: Material Topics 2021	3-3 Management of material topics	81			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	81			
Child labour					
GRI 3: Material Topics 2021	3-3 Management of material topics	75			
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	75			
Forced or compulsory labour					
GRI 3: Material Topics 2021	3-3 Management of material topics	75			
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	75			
Local communities					
GRI 3: Material Topics 2021	3-3 Management of material topics	98-100			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	98-100			
	413-2 Operations with significant actual and potential negative impacts on local communities	100			

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
Supplier social assessment					
GRI 3: Material Topics 2021	3-3 Management of material topics	97-98			
	414-2 Negative social impacts in the supply chain and actions taken	98			
Public policy					
GRI 3: Material Topics 2021	3-3 Management of material topics	59			
GRI 415: Public Policy 2016	415-1 Political contributions	59			
Customer health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	95			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	95			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	95			
Marketing and labelling					
GRI 3: Material Topics 2021	3-3 Management of material topics	95			
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	95			
	417-2 Incidents of non-compliance concerning product and service information and labelling	95			
	417-3 Incidents of non-compliance concerning marketing communications	95			
Customer privacy					
GRI 3: Material Topics 2021	3-3 Management of material topics	86			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	86			





PRECISELY STEADFORWARD

Performance is driven by insight and every decision is made with precision at Ceylon Cold Stores PLC. We assess, interpret, and act with accuracy to guarantee that effort is directed towards meaningful outcomes. Through this disciplined approach, we continue to achieve with confidence and control.

Through the waggle dance, bees communicate direction and distance with remarkable accuracy; this precision ensures that every movement brings opportunity.

FINANCIAL CALENDAR	
1st Quarter Released on	29th July 2025
2nd Quarter Released on	3rd November 2025
3rd Quarter Released on	27th January 2026
4th Quarter Released on	25th May 2026
Annual Report Released on	25th May 2026
129th Annual General Meeting on	18th June 2026

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ANNUAL REPORT OF THE BOARD OF DIRECTORS

The Board of Directors of Ceylon Cold Stores PLC has pleasure in presenting their Annual Report which covers the Audited Financial Statements, Chairperson's Message, Corporate Governance, Management Discussion and Analysis, Risk Management and all other relevant information for the year ended 31st March 2026.

The CCS Group delivered a strong performance with a 32% increase in Profit After Tax (PAT) in 2025/26.

This report has also considered the requirements of the Companies Act No. 07 of 2007 (Companies Act), the relevant Listing Rules of the Colombo Stock Exchange (CSE) and recommended best reporting practices, such as the rules on Corporate Governance (2023) issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and are also guided by recommended best accounting practices.

The Company was incorporated as a Limited Liability Company in 1866 as Colombo Ice Company Limited and in 1941 the Company changed its name to Ceylon Cold Stores Limited. The Company was listed on the CSE in January 1970 as Ceylon Cold Stores PLC. Pursuant to the requirements of the Companies Act, the Company was re-registered and obtained a new Company number, PQ 4, on 15th June 2007.

CORPORATE CONDUCT AND THE VISION OF THE COMPANY

The business activities of the Company and its Subsidiaries (CCS Group) are conducted in accordance with the highest level of ethical standards to achieve the vision. The Company's vision is given on page 3 of this Annual Report.

PRINCIPAL ACTIVITIES

Company

The principal activities of the Company, are manufacturing, marketing and distribution of Beverages and Confectionery products, have remained unchanged since its incorporation.

SUBSIDIARIES

Jaykay Marketing Services (Pvt) Ltd

The principal activity of Jaykay Marketing Services (Pvt) Ltd (JMSL) which is 100% owned by the Company, remained unchanged as that of owning and operating of a chain of supermarkets, under the brand "Keells". JMSL also operates and manages the Nexus loyalty programme.

LogiPark International (Pvt) Ltd

LogiPark International (Pvt) Ltd (LPI) is a 100% owned subsidiary of JMSL. LPI was incorporated on 06th July 2018 to construct and operate a 260,000 sq ft. mega logistics centre on a 9-acre land in Kerawalapitiya. The Company has also qualified for Section 17 of the Board of Investment (BOI) Act to execute the project.

The Colombo Ice Company (Pvt) Ltd

The Colombo Ice Company (Pvt) Ltd (CICL) is a BOI registered company, 100% owned by the Company, and was incorporated in May 2016. The principal activities of CICL are to manufacture, market and distribute Confectionery products.

ULTIMATE PARENT

The Company's ultimate Parent and controlling entity is John Keells Holdings PLC (JKH), a company incorporated in Sri Lanka.

REVIEW OF OPERATIONS

A review of the operations of the Company and the CCS Group during the financial year 2025/26 and results of their operations are contained in the Chairperson's Message (pages 15 to 22) and Management Discussion and Analysis section (pages 43 to 109) of this Annual Report. These Reports form an integral part of the Annual Report of the Board of Directors and together with the Audited Financial Statements reflect the state of the affairs of the Company and the CCS Group as at 31st March 2026.

FINANCIAL STATEMENTS AND AUDITORS' REPORT

The Financial Statements of the Company and the CCS Group duly signed by the Directors are provided on pages 274 to 347 and the Auditors' Report on the Financial Statements is provided on pages 271 to 273 of this Annual Report. These Reports form an integral part of the Annual Report of the Board of Directors and together with the Audited Financial Statements provide a fair review of the performance of the Company and the CCS Group during the financial year ended 31st March 2026.

GOING CONCERN

The management has formed judgment that the Company and its subsidiaries have adequate resources to continue in operational existence for the foreseeable future driven by the continuous operationalisation of risk mitigation initiatives and monitoring of business continuity and response plans at each business unit level along with the financial strength of the Group. The Group's outlook has been presented in the Chairperson's Message. (Pages 20 to 21)

FINANCIAL RESULTS AND APPROPRIATIONS

Accounting Policies

The accounting policies based on the Accounting Standards (SLFRS/ LKAS) issued by CA Sri Lanka are provided in detail in the notes to the Financial Statements on pages 281 to 347 of the Annual Report.

Revenue

The Net Revenue generated during the year under review by the Company amounted to Rs. 28,063 million (2024/25 - Rs. 24,508 million), whilst the Consolidated Net Revenue of the CCS Group amounted to Rs. 184,595 million (2024/25 - Rs. 157,934 million). An analysis of revenue is given in Notes 06 and 12 to the Financial Statements.

Financial Results

The Company recorded a Profit After Tax of Rs. 5,928 million for the year (2024/25 - Rs. 4,325 million) whilst the Consolidated Profit After Tax was Rs. 7,886 million (2024/25 Rs. 5,958 million).

A synopsis of the CCS Group's performance is presented as follows;

For the year ended 31st March	2026 Rs.'000	2025 Rs.'000
Results from operating activities	13,577,928	11,313,796
Finance cost	(2,608,941)	(2,424,913)
Finance income	87,522	89,779
	11,056,509	8,978,662
Change in fair value of investment property	20,646	23,385
Profit before tax	11,077,155	9,002,047
Provision for taxation including deferred tax	(3,191,292)	(3,044,381)
Profit after tax	7,885,863	5,957,666
Unappropriated profit brought forward from the previous year	18,051,326	16,066,477
Amount available for appropriation	25,937,189	22,024,143
Final dividend paid for the previous year	(1,896,062)	(845, 856)
Interim dividend paid for the current year	(3,505,075)	(3,236,112)
	20,536,052	17,942,175
Adjustments	(128,665)	109,151
Unappropriated profit carried forward	20,407,387	18,051,326

PROVISION FOR TAXATION

Provision for taxation has been computed at the rates given in Note 19.8 to the Financial Statements.

SEGMENT REPORTING

A segmental analysis of the activities of the CCS Group is given in Note 06 to the Financial Statements.

RELATED PARTY TRANSACTIONS

The Company's transactions with Related Parties are given in Note 40 to the Financial Statements and have complied with the CSE Listing Rules Section 9.14 and Code of Best Practices on Related Party Transactions issued by the SEC under the Securities and Exchange Commission of Sri Lanka Act No. 36 of 1987.

There were no non-recurrent related party transactions entered into by the Company which exceeds the lower of 10% of equity or 5% of the total assets of the Company as per the latest audited Financial Statements for the year ended 31st March 2025.

There were no recurrent related party transactions, where the aggregate value of the transaction exceeded 10% of the consolidated revenue of the CCS Group as per the latest audited Financial Statements for the year ended 31st March 2025.

The Directors confirm that transactions with related parties in terms of the Sri Lanka Accounting Standard LKAS 24 - Related Party Disclosure have been detailed in Note 40 to the Financial Statements as well as that the requirements as per the listing rules of the CSE have been complied with.

CORPORATE DONATIONS

During the year the CCS Group made donations (including CSR related campaigns) amounting to Rs. 164 million (2024/25 - Rs. 46 million), of which Rs. 47 million (2024/25 – Rs. 26 million) was paid to the John Keells Foundation, which is funded by JKH and its subsidiaries and manages most of the JKH Group's CSR initiatives and activities. The CCS Group made no political donations.

DIVIDENDS

A final dividend of Rs. 1.99 per share for the financial year 2024/25 (2023/24 Rs. 0.89 per share) was paid on the 11th of June 2025. A total of three interim dividends of Rs. 3.68 per share for the financial year 2025/26 (2024/25 - interim Rs. 3.41 per share) were paid during the year.

The Board of Directors has now approved a final dividend of Rs. 3.34 per share for the financial year 2025/26 to be paid on or before 12th June 2026 to those shareholders on the register as at the record date of 26th May 2026. In accordance with the Sri Lanka Accounting Standard 10, events after the reporting period, the declared dividend has not been recognised as a liability as at 31st March 2026.

As required by section 56 (2) of the Companies Act, the Board of Directors has confirmed that the Company satisfies the solvency test in accordance with section 57 of the Companies Act, and a certificate has been obtained from the Auditors, prior to declaring all dividends.

PROPERTY, PLANT AND EQUIPMENT

The value of property plant and equipment as at the reporting date amounted to Rs. 7,640 million (2024/25 Rs. 6,569 million) for the Company and Rs. 36,053 million (2024/25 - Rs. 29,961 million) for the CCS Group. The details of property, plant and equipment of the Company and the Subsidiaries are shown in Note 20 to the Financial Statements.

CAPITAL EXPENDITURE

The total capital expenditure on acquisition of property, plant and equipment of the Company and the CCS Group amounted to Rs. 1,774 million and Rs. 8,910 million (2024/25 - Rs. 1,522 million and Rs. 4,455 million) respectively, details of which are given in Note 20 to the Financial Statements. Capital expenditure approved but not provided in the Financial Statements, are given in Note 42 to the Financial Statements. Additions of intangible assets of the Company and the CCS Group during the year amounted to Rs.110 million and Rs. 1,506 million (2024/25 - Rs. 67 million and Rs. 794 million) respectively, and all other related movements are disclosed in Note 23 to the Financial Statements.

VALUATION OF LAND, BUILDINGS AND INVESTMENT PROPERTIES

The land and buildings owned by the Group and the Company were revalued by Messrs. P B Kalugalagedara & Associates - Chartered Valuation Surveyors, G H A P K Fernando & Upali Silva & Lochana Silva – Chartered Valuers (Pvt) Ltd as at 31st December 2025. The Directors are of the opinion that the revalued amounts are not in excess of the current market values of such properties.

The investment properties were revalued as at 31st December 2025 by Upali Silva and Lochana Silva - Chartered Valuers (Pvt) Ltd and Messrs. P B Kalugalagedara & Associates - Chartered Valuation Surveyors. The land was valued at open market value. The details of the revaluation and relevant accounting policies are provided in Notes 20 and 22 to the Financial Statements respectively.

Details of the Group's real estate as at 31st March 2026, are disclosed in the Group real estate portfolio page 351 of the Annual Report.

INVESTMENTS

Details of investments held by the Company are disclosed in Note 24 to the Financial Statements.

STATED CAPITAL AND REVENUE RESERVES

In compliance with the Companies Act the Financial Statements reflect the stated capital of the Company. The stated capital is the total of all amounts received by the Company in respect of the issue of shares and calls on shares.

The total Stated Capital of the Company as at 31st March 2026 was Rs. 918 million (31st March 2025 - Rs. 918 million), as given in Note 30 to the Financial Statements.

Revenue Reserve as at 31st March 2026 for the Company and the Group amounted to Rs. 12,440 million (31st March 2025 - Rs. 11,980 million) and Rs. 20,407 million (31st March 2025 - Rs. 18,051 million) respectively. The movement and the composition of the reserve is disclosed in the Statement of Changes in Equity.

UNQUOTED INVESTMENT IN WATERFRONT PROPERTIES (PVT) LTD

As at the reporting date, the Company's holding in Waterfront Properties (Pvt) Ltd (WPL) was diluted to 2.47 % (as at 31st March 2025 - 2.71 %) as a result of the direct equity infusion in WPL, by its Parent Company, JKH, as envisaged at the outset of the project. Details of the investment is given in Note 25 to the Financial Statements.

EVENTS AFTER THE REPORTING PERIOD

Events occurring after the reporting period are given in Note 43 to the Financial Statements.

CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

There were no material contingent liabilities or capital commitments as at 31st March 2026 except as disclosed in Notes 41 and 42 to the Financial Statements.

OUTSTANDING LITIGATIONS

In the opinion of the Directors and in consultation with the company lawyers, litigations currently pending against the Company and CCS Group will not have a material impact on the reported financial results and future operations of the Company and the CCS Group.

HUMAN RESOURCES

The CCS Group employed 8,429 persons as at 31st March 2026 (31st March 2025 – 8,187).

The Group has an equal opportunity policy and these principles are enshrined in specific selection, training, development and promotion policies, ensuring that all decisions are based on merit. The Group practices equality of opportunity for all employees irrespective of ethnic origin, religion, political opinion, gender, marital status or physical disability.

There were no material issues pertaining to employees and industrial relations during the year under review.

EQUITY & INCLUSION POLICY

The Group recognises the importance of diversity, equity and inclusion and the role it plays in ensuring workplace respect, organisational success and sustainability for all stakeholders. In this regard, it is committed to providing a working environment where all employees are included, their diversity is embraced and where their contributions are valued.

SYSTEM OF INTERNAL CONTROLS

The Directors acknowledge their responsibility for the system of internal controls of the Company and its Subsidiaries and having conducted a review of internal controls covering financial, operational, compliance and risk management, have obtained reasonable assurance of their effectiveness and successful adherence for the period up to the date of signing the Financial Statements.

CORPORATE GOVERNANCE

Corporate Governance practices and principles with respect to the management and operations of the CCS Group is set out on pages 111 to 171 of the Annual Report. The Directors confirm that the Ceylon Cold Stores PLC complies with the Listing Rules of the CSE on Corporate Governance.

The Directors declare that to the best of their knowledge;

a) The Company and its Subsidiaries have not engaged in any activities, which contravene laws and regulations.

b) The Directors have declared all material interests in contracts involving the Company and its Subsidiaries and refrained from voting on matters in which they were materially interested.

c) The Company has made all endeavors to ensure the equitable treatment of all shareholders.

d) A review of internal controls covering financial, operational and compliance and risk management has been conducted, and the Directors have obtained a reasonable assurance of their effectiveness and successful adherence therewith.

e) The Board of Directors are committed to maintaining an effective Corporate Governance structure and process. A detailed report on Corporate Governance is found on pages 112 to 171.

f) The business is a going concern.

g) The Company, being listed on the Colombo Stock Exchange (CSE), is fully compliant with the rules on corporate governance under the Listing Rules of the CSE.

h) The Company is in compliance with the Code of Best Practice on Corporate Governance (2023) issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) to the extent of business exigency and as required by the John Keells Group.

i) Directors made arrangements to make themselves aware of applicable laws, rules and regulations and are aware of changes, particularly to Listing Rules and applicable capital market provisions.

j) The Company has implemented a formal policy governing matters relating to the Board of Directors as required by the Listing Rules of the CSE and confirms compliance with such policy.

k) The Directors of the Company satisfy the Fit and Proper Assessment Criteria stipulated in the Listing Rules of the CSE.

l) The Independent Directors meet the independent criteria set out in the Listing Rules consequent to the annual determination.

m) There are no waivers from compliance with the Policy on Internal Code of Business Conduct and Ethics.

n) In compliance with the formal policy governing matters relating to the Board of Directors, Directors of the Company do not hold more than fifteen (15) Directorships in listed companies.

RISK MANAGEMENT

The Board and the Management of the Company and its Subsidiaries have put in place a comprehensive risk identification, measurement and mitigation process. The risk management process is an integral part of the annual strategic planning cycle. A detailed overview of the process is outlined in the Enterprise Risk Management Report on pages 172 to 182.

BOARD SUB-COMMITTEES

Information relating to members of the Audit Committee, Human Resources and Compensation Committee, Nominations and Governance Committee, Related Party Transactions Review Committee and Project Risk Assessment Committee of JKH, including reports of each of the Committees, where applicable, and the attendance of Directors for each of the Committee meetings, are disclosed in the Corporate Governance section of the Annual Report.

SHARE INFORMATION

An Ordinary Share of the Company was quoted on the CSE at Rs. 103.00 as at 31 March 2026 (Rs. 82.00 as at 31 March 2025). Market price per share is based on the number of shares in issue at the end of each reporting period. Information relating to earnings, dividends, net assets and market value per share is given in the key figures and ratios section on page 351. Information on share trading is given on page 349 of this Annual Report.

SHAREHOLDINGS

There were 6,857 registered shareholders, holding ordinary voting shares as at 31st March 2026 (4,028 registered shareholders as at 31st March 2025). The distribution of shareholdings including the percentage held by the public is given on page 348 of this Annual Report.

FLOAT ADJUSTED MARKET CAPITALISATION

As at 31st March 2026, Company had a float adjusted market capitalization of Rs. 18.2 billion and 6,852 public shareholders (18.55% public shareholdings). Therefore, the Company is compliant under option 1 of the minimum threshold requirements for the Main Board of the CSE as per section 7.13 of the Listing Rules of the CSE.

EQUITABLE TREATMENT TO ALL SHAREHOLDERS

The Company has made every endeavour to ensure the equitable treatment of all shareholders and has adopted adequate measures to prevent information asymmetry.

SUBSTANTIAL SHAREHOLDINGS

The list of the top twenty shareholders is given on page 348 of this Annual Report.

INFORMATION TO SHAREHOLDERS

The Board strives to be transparent and provide accurate information to shareholders in all published material. The quarterly financial information during the year has been sent to the CSE in a timely manner.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

DIRECTORATE

The Board of Directors of the Company who served during the year and as at the end of the Financial Year are given below and their brief profiles are given on pages 36 and 37 of this Annual Report.

No other Director held office during the year under review.

Mr. K N J Balendra (Non-Executive, Non-Independent Director) - Chairperson

Mr. J G A Cooray (Non-Executive, Non-Independent Director)

Mr. D P Gamlath (Executive Director)

Mr. K C Subasinghe (Non-Executive, Non-Independent Director)

Ms. P N Fernando (Executive Director)

Mr. H A J D S Wijeyeratne (Non-Executive, Independent Director)

Mr. S Kanag-Isvaran (Non-Executive, Independent Director)

Ms. R N K Fernando (Non-Executive, Independent Director)

Ms. S T Ratwatte*, Non-Executive, Independent Director and Dr.(Ms.) R S W Wijeratnam, Non-Executive, Non-Independent Director, retired from the Board of Directors of the Company effective from and upon the conclusion of the Annual General Meeting of the Company held on 20th June 2025, having completed 9 years on the Board.

**Designated as a Non-Independent Non-Executive Director w.e.f. 16 June 2025 upon completion of 9 years on the Board.*

The Board of Directors of JMSL who served during the year are given below;

No other Director held office during the period under review.

Mr. J G A Cooray

Mr. K C Subasinghe

Mr. W A D A Wanniarachchi

Ms. N W Tambiah
(Resigned w.e.f.31.12.2025)

The Board of Directors of LPI who served during the year are given below;

No other Director held office during the period under review.

Mr. K C Subasinghe

Mr. A Z Hashim

Mr. W A D A Wanniarachchi

The Board of Directors of CICL who served during the year are given below;

No other Director held office during the period under review.

Mr. D P Gamlath

Ms. P N Fernando

RESPONSIBILITY OF THE BOARD

Details of the responsibilities of the Board and the manner in which those responsibilities were discharged during the year are disclosed in the Corporate Governance section of the Annual Report.

RETIREMENT AND RE-ELECTION OF DIRECTORS

Retirement and Re-election of Directors of the Company are given in the Notice of Meeting and Proxy Form.

DIRECTORS' INTERESTS IN SHARES

The Directors' (including their spouses) individual shareholdings in the Company as at 31st March 2026 and 31st March 2025 were as follows;

For the year ended 31st March	2026 No. of Shares	2025 No. of Shares
Mr. K N J Balendra	819,040	819,040
Mr. J G A Cooray	-	-
Mr. D P Gamlath	-	-
Mr. K C Subasinghe	45,000	45,000
Ms. P N Fernando	-	-
Mr. H A J De Silva Wijeyeratne	-	-
Ms. R N K Fernando	-	-
Mr. S Kanag-Isvaran	-	-

REMUNERATION TO DIRECTORS

The Board of CCS has adopted a remuneration policy aligned with the JKH Group's philosophy and framework, and the CCS HRCC periodically reviews this policy to ensure continued alignment with the JKH Group framework and best practice. The Directors are of the opinion that the framework assures appropriateness of remuneration and fairness for the Company. The remuneration of the Non-Executive Directors are determined according to scales of payment decided upon by the Board previously. Details of Directors' fees and emoluments paid during the year are disclosed in the Note 16 to the Financial Statements.

DIRECTORS' MEETINGS

Details of Directors' meetings are presented on page 121 of this Annual Report.

INTERESTS REGISTER

The Company has maintained an Interests Register. In compliance with the requirements of the Companies Act, this Annual Report contains particulars of entries made in the Interests Register. As the subsidiaries are private companies, they have, in terms of the provisions of the Companies Act, dispensed with the requirement to maintain an Interests Register.

Interests Register is available at the Registered office of the Company in keeping with the requirement of the section 119 (1) (d) of the Companies Act.

Particulars of entries in the Interests Register for the Financial Year 2025/26

a) Interests in Contracts - The Directors have all made a General Disclosure to the Board of Directors as permitted by Section 192 (2) of the Companies Act, and no additional interests have been disclosed by any Director.

b) Share Dealings by Directors - There were no share dealings by the Directors during the financial year 2025/26.

c) Indemnities and Remuneration

The Board approved the payment of remuneration to the Executive Directors of the Company, namely, Mr. D P Gamlath and Ms. P N Fernando, comprising

- A fixed element;
- A variable element in the form of a short-term Incentive which is based on the individual performance, organization performance and role responsibility based on the results of the financial year 2024/2025; and
- A long-term Incentive in the form of Employee Share Options at John Keells Holdings PLC.

in keeping with the John Keells Group remuneration policy.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Directors are responsible for the preparation of the Financial Statements of the Company and the Group to reflect a true and fair view of the state of its affairs. The Directors are of the view that these Financial Statements have been prepared in conformity with the requirements of the Sri Lanka Accounting Standards, the Companies Act. and the Listing Rules of the CSE.

EMPLOYEE SHARE OPTION SCHEME (ESOP)

The Company does not offer its shares under an ESOP Scheme. The ESOP Scheme made available to the Senior Executives of the Company is from the Parent Company, JKH. The Company has not directly or indirectly provided funds to its employees to purchase shares under the ESOP Scheme.

COMPLIANCE WITH LAWS AND REGULATIONS

The Company and the CCS Group has complied with all applicable laws and regulations. A compliance checklist is signed on a quarterly basis by responsible officers and any violations are reported to the Audit Committee and Board of Directors.

SUSTAINABILITY

This is the CCS Group's 11th Integrated Annual Report, which presents a comprehensive discussion on its financial and non-financial performance, in a bid to provide its stakeholders with holistic information relating to its value creation proposition through the six forms of capital reported under the International <IR> Framework.

Following the comprehensive gap analysis conducted in the prior year, the Group has adopted SLFRS S1 and S2, the local standards introduced by CA Sri Lanka for sustainability-related financial disclosures and climate-specific disclosures, in compliance with the CSE reporting requirements for 2025/26. Relevant disclosures are included in the SLFRS S1 S2 Disclosures section of this report.

RESEARCH AND DEVELOPMENT

The Group has an active approach to research and development and recognises the contribution that it can make to Group's intellectual property and operations. Significant expenditure has taken place over the years and substantial efforts will continue to be made to introduce intellectual property rights, develop new products and processes and to improve the existing products.

SUPPLIER POLICY

The CCS Group endeavours to transact business with reputed organizations capable of offering quality goods and services at competitive prices with a view to build mutually beneficial business relationships.

STATUTORY PAYMENTS

The Directors confirm to the best of their knowledge all taxes, duties and levies payable by the CCS Group and all contributions, levies and taxes payable on behalf of and in respect of the employees of the CCS Group and all other known statutory dues as were due and payable by the CCS Group as at the end of the reporting period have been paid or where relevant provided for.

ENVIRONMENT PROTECTION

The CCS Group is conscious of the impact, direct and indirect, on the environment due to its business activities. Every endeavour is made to minimize the adverse effects on the environment to ensure sustainable continuity of our resources.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

INDEPENDENT AUDITORS' APPOINTMENT

The Financial Statements for the year have been audited by Messrs. Ernst & Young Chartered Accountants. The retiring Auditor, Messrs. Ernst & Young have intimated their willingness to continue in office and a resolution to reappoint them as Auditor and authorizing the Directors to determine their remuneration will be proposed at the upcoming Annual General Meeting.

The Audit Committee reviews the reappointment of the Auditors, its effectiveness, independence and its relationship with the CCS Group, including the level of audit and non-audit fees paid to the Auditors. The details of fees paid to the Auditors for the Company and its Subsidiaries are set out in Note 16 to the Financial Statements. As far as the Directors are aware, the Auditors have no other relationship with the Company and its Subsidiaries.

INDEPENDENT AUDITORS' REPORT

The Auditors' Report is found on pages 271 to 273 of the Annual Report.

APPROVAL OF THE FINANCIAL STATEMENTS

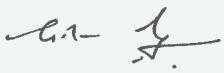
The Audited Financial Statements were approved by the Board of Directors on 25th May 2026. The appropriate number of copies of this report will be submitted to the Colombo Stock Exchange and to the Sri Lanka Accounting and Auditing Standards Monitoring Board.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held as a virtual meeting on the 18th June 2026. The notice of meeting related to the 129th Annual General Meeting is given on pages 357 and 358.

The Annual Report is signed for and on behalf of the Board of Directors by:





D P Gamlath
Director

J G A Cooray
Director



Keells Consultants (Private) Limited
Secretaries

25th May 2026

AUDIT COMMITTEE REPORT

The Audit Committee is tasked with assisting the Board in fulfilling its oversight responsibility to the shareholders, potential shareholders, the investment community and other stakeholders in relation to the integrity of Financial Statements of the Group, that a good financial reporting system is in place and is well managed in order to give accurate, appropriate and timely information, that it is in accordance with the Companies Act and other legislative reporting requirements and that adequate disclosures are made in the Financial Statements in accordance with the Sri Lanka Accounting Standards.

The powers and responsibilities of the Audit Committee are governed by the Audit Committee Charter, which is approved and adopted by the Board. The terms of reference comply with the requirements of the Corporate Governance Rules as per section 7.10 of the Listing Rules of Colombo Stock Exchange (CSE). The Audit Committee's functions and scope are in compliance with the requirements of the Code of Best Practice on Audit Committee and conducted its affairs in compliance with the requirements of the Code of Best Practice on Audit Committee.

The Audit Committee ensures that the internal controls and the risk management process are effective and adequate to meet the requirements of the Sri Lanka Auditing Standards and that the Group is in compliance with legal, regulatory and ethical requirements.

The Audit Committee assesses the Group's ability to continue as a going concern for the foreseeable future. The Committee evaluates the performance and the independence of the Internal Auditor and External Auditor. The Committee is also tasked with the responsibility of recommending to the Board the re-appointment or change of the External Auditor and to recommend their remuneration and terms of engagement.

In fulfilling its purpose, the Audit Committee maintains a free and open communication with the independent External Auditor, the outsourced Internal Auditor and the management of the Company and the Subsidiaries to ensure that all parties are aware of their responsibilities.

The Audit Committee is empowered to carry out any investigations it deems necessary and review all internal control systems and procedures, compliance reports, risk management reports etc. to achieve the objectives as stated above.

The Committee has reviewed and discussed with the management and the External Auditor the audited Financial Statements for the year ended 31st March 2026 as well as matters relating to the Group's internal control over financial reporting, key judgement and estimates in the preparation of Financial Statements and the processes that support certification of the Financial Statements by the Directors and the Chief Financial Officer (CFO). The committee also reviews and approves the quarterly unaudited Financial Statements.

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee is a sub-committee of the Board of Directors appointed by and responsible to the Board of Directors.

The Audit Committee consists of three Non-Executive Independent Directors who are;

1. Mr. H A J De Silva Wijeyeratne – Chairperson
2. Ms. R N K Fernando
3. Mr. S Kanag-Isvaran

The Committee composition complies with the requirement of rule 9.11.6 of the Listing rules of Colombo Stock Exchange.

The Audit Committee comprises of individuals with extensive experience and expertise in the fields of Finance, Corporate Management, Economics and Marketing. The Chairperson of the Audit Committee is both a Chartered Management Accountant and a Chartered Accountant. A brief profile of each member of the Audit Committee is given on pages 36 and 37 of this report under the section Board of Directors.

MEETINGS OF AUDIT COMMITTEE

The Audit Committee meets as often as may be deemed necessary or appropriate in its judgment, and at least quarterly each year. During the year under review, there were five (5) meetings attended by the Committee members and they are given below;

Name	6th May 2025	24th July 2025	27th October 2025	23rd January 2026	30th March 2026	Total Attendance
Mr. H A J De Silva Wijeyeratne	✓	✓	✓	✓	✓	5/5
Ms. R N K Fernando	✓	✓	✓	✓	✓	5/5
Mr. S Kanag-Isvaran	✓	✓	✓	✓	✓	5/5
Ms. S T Ratwatte *	✓	N/A	N/A	N/A	N/A	1/1
Dr. (Ms.) R S W Wijeratnam *	✓	N/A	N/A	N/A	N/A	1/1

** Retired w.e.f. 20.06.2025*

AUDIT COMMITTEE REPORT

AUDIT COMMITTEE ATTENDANCE

The Presidents, the Chief Financial Officers, the Head of JKH Group Business Process Review and the Heads of the Business Categories attended such meetings by invitation and briefed the Committee on specific issues. The External Auditor and Internal Auditor were also invited to attend meetings when necessary. The Chairperson of the Audit Committee reports the proceedings of the Audit Committee to the Board of Directors.

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

Oversight of Company and Consolidated Financial Statements

The Committee reviewed with the Independent External Auditor who is responsible for expressing an opinion on the truth and fairness of the audited Financial Statements and their conformity with the Sri Lanka Financial Reporting Standards (SLFRS) and Sri Lanka Accounting Standards (LKAS).

The Committee also reviewed the accounting policies of the Company and the Group and such other matters as are required to be discussed with the independent External Auditor in compliance with Sri Lanka Auditing Standard 260 – Communication with Those Charged with Governance. The quarterly Financial Statements were reviewed by the Committee and recommended their adoption to the Board.

The Committee reviewed the process to assess the effectiveness of the internal financial controls that have been designed to provide reasonable assurance to the Directors that the financial reporting system can be relied upon in preparation and presentation of the Financial Statements of the Company and the Group.

INTERNAL AUDIT

The Committee monitors the effectiveness of the Internal Audit function and is responsible for approving their appointment or removal and to ensure they have adequate access to information required to conduct their audits.

The Internal Audit function of the Company is outsourced to Messrs. Deloitte Advisory Services (Pvt) Ltd, a firm of Chartered Accountants and that of Subsidiary, Jaykay Marketing Services (Pvt) Ltd is outsourced to BDO Partners – Chartered Accountants and the Subsidiary, The Colombo Ice Company (Pvt) Ltd is outsourced to Messrs. Deloitte Advisory Services (Pvt) Ltd.

The Audit Committee has agreed with the Internal Auditors as to the frequency of audits to be carried out, the scope of the audit and the fee to be paid for their services.

During the year under review, the Audit Committee has met the Internal Auditors to consider their reports, management responses and matters requiring follow up on the effectiveness of internal controls and audit recommendations.

The Internal Audit frequency depends on the risk profile of each area, higher risk areas being on a shorter audit cycle. The Audit Committee is of the opinion that the above approach provides an optimal balance between the need to manage risk and the costs thereof.

RISK AND CONTROL REVIEW

The Audit Committee has reviewed the business risk management process and procedures adopted by the Group to manage and mitigate the effects of such risks and observe that the risk analysis exercise had been conducted within the Group. The key risks that could impact operations had been identified and appropriate actions have been taken to mitigate their impact to the minimum extent.

EXTERNAL AUDIT

The External Auditor of the Company and of the Subsidiaries, Messrs. Ernst & Young, Chartered Accountants, submitted a detailed audit plan for the financial year 2025/26, which specified, inter alia, the areas of operations to be covered in respect of the Company and the Subsidiaries.

The audit plan specified 'areas of special emphasis' which had been identified from the last audit and from a review of current operations. The Audit Committee had meetings with the External Auditor to review the scope, timelines of the audit plan and approach for the audits.

The areas of special emphasis had been selected due to the probability of error and the material impact it can have on the Financial Statements. At the conclusion of the audit, the External Auditor met with the Audit Committee to discuss and agree on the treatment of any matters of concern discovered in the course of the audit and also to discuss the Audit Management Letters. Actions taken by the management in response to the issues raised were discussed with the Sector President. There were no issues of significance during the year under review.

The Audit Committee also reviewed the audit fees of the External Auditor of the Company and of the Subsidiaries and recommended its adoption by the Board. It also reviewed the other services provided by the Auditors in ensuring that their independence as an Auditor was not compromised.

The Audit Committee has received a declaration from Messrs. Ernst & Young as required by the Companies Act, No. 07 of 2007, confirming that they do not have any relationship or interest in the Company, which may have a bearing on their independence within the meaning of the Code of Conduct and Ethics of the Institute of Chartered Accountants of Sri Lanka.

The Audit Committee has proposed to the Board of Directors that Messrs. Ernst & Young, Chartered Accountants, be recommended for reappointment as Auditor for the year ending 31st March 2027, at the next Annual General Meeting.

COMPLIANCE WITH FINANCIAL REPORTING AND STATUTORY REQUIREMENTS

The Audit Committee receives a quarterly declaration from the President, Head of the Business Categories, Head of Supply Chain and the Chief Financial Officer, listing any departures from financial reporting, statutory requirements and Group policies. Reported exceptions, if any, are followed up to ensure that appropriate corrective action has been taken.

With a view of ensuring uniformity of reporting, the Group has adopted the standardized format of Annual Financial Statements developed by the Parent Company.

SUPPORT TO THE COMMITTEE

The Committee received the necessary support and information from the management of the Company and the Subsidiaries during the year to enable them to carry out their duties and responsibilities effectively.

CONCLUSION

The Audit Committee is satisfied that the effectiveness of the organizational structure of the Company and the Subsidiaries in the implementation of the accounting policies and operational controls provide reasonable assurance that the affairs of the Company and the Subsidiaries are managed in accordance with accepted policies and that assets are properly accounted for and adequately safeguarded. The Committee is also satisfied that the Group's Internal and External Auditors have been effective and independent throughout the period under review.



H A J De Silva Wijeyeratne
Chairperson, Audit Committee

25th May 2026

STATEMENT OF DIRECTORS' RESPONSIBILITY

The responsibility of the Directors, in relation to the Financial Statements, is set out in the following statement. The responsibility of the Auditor in relation to the Financial Statements prepared in accordance with the provisions of the Companies Act, No. 07 of 2007, is set out in the Independent Auditors' Report on pages 271 to 273 of the Annual Report.

As per the provisions of the Companies Act, No. 07 of 2007 the Directors are required to prepare, for each financial year and place before a General Meeting, Financial Statements which comprise of;

- An Income Statement, which presents a true and fair view of the profit or loss of the Company for the financial year; and
- A Statement of Other Comprehensive Income; and
- A Statement of Financial Position,

which presents a true and fair view of the state of affairs of the Company as at the end of the financial year.

The Directors have ensured that, these Financial Statements have been prepared;

- Using appropriate accounting policies, which have been selected and applied in a consistent manner, and material departures, if any have been disclosed and explained; and
- All applicable Accounting Standards (SLFRS/LKAS) as relevant have been applied; and
- Reasonable and prudent judgments and estimates have been made so that the form and substance of transactions are properly reflected; and
- Provided the information required by and otherwise comply with the Companies Act, No. 07 of 2007 and the listing rules of the Colombo Stock Exchange.

The Directors are also required to ensure that the Company and its Subsidiaries have adequate resources to continue in operation, to justify applying the going concern basis in preparing these Financial Statements.

Further the Directors have a responsibility to ensure that the Company and its Subsidiaries maintain sufficient accounting records to disclose, with reasonable accuracy the financial position of the Company and of the CCS Group.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Company and of the CCS Group, and in this regard to give a proper consideration to the establishment of appropriate internal control systems with a view to preventing and detecting fraud and other irregularities.

The Directors are required to prepare the Financial Statements and to provide the Auditor with every opportunity to take whatever steps and undertake whatever inspections they may consider being appropriate to enable them to give their audit opinion.

The Directors are of the view that they have discharged their responsibilities as set out in this statement.

COMPLIANCE REPORT

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company and its Subsidiaries, all contributions, levies and taxes payable on behalf of the employees of the Company and its Subsidiaries, and all other known statutory dues as were due and payable by the Company and its Subsidiaries as at the end of the reporting period have been paid or, where relevant provided for except as specified in Note 41 to the Financial Statements covering contingent liabilities.

By Order of the Board



Keells Consultants (Private) Limited
Secretaries

25th May 2026

INDEPENDENT AUDITORS' REPORT

Shape the future with confidence

Ernst & Young
Chartered Accountants
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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Ceylon Cold Stores PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Ceylon Cold Stores PLC (''the Company''), and the consolidated financial statements of the Company and its subsidiaries (''the Group''), which comprise the statement of financial position as at 31 March 2026, and the income statement and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31 March 2026, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matter	How our Audit Addressed the Key Audit Matter
Existence and carrying value of inventory	
As at 31 March 2026, the carrying value of inventory amounted to Rs. 18, 513 million net of provision for slow moving inventories of Rs. 267 million as disclosed in note 27 to the financial statements and writing-off of spoilage and wastage of inventories as disclosed in note 14.2. Existence and carrying value of inventory was a key audit matter due to: ➲ the materiality of the reported inventory balance which represented 20% of the Group's total assets as of the reporting date as disclosed in note 27 to the financial statements; and ➲ judgements applied by the management on the condition of inventory due to wastage,spoilages, shelf life of products, slow-moving and seasonal products and other compliance requirements.	Our audit procedures included the following key procedures: ➲ Observed physical inventory counts and reconciled the count results to the inventory listings compiled by management to support amounts reported. ➲ Tested whether inventory was stated at the lower of cost and net realizable value, by comparing cost with subsequent selling prices. ➲ Assessed the reasonableness of management judgements applied in determining that the writing-off of inventory is based on the condition of inventory in relation to wastages, spoilages, shelf life of products, slow moving and seasonal products and due to other compliance requirements. We also evaluated the adequacy of the disclosures in Note 27 and 14.2 to the financial statements.

Key Audit Matter	How our Audit Addressed the Key Audit Matter
Assessment of fair value of the equity investment classified as Fair Value through Other Comprehensive Income (FVOCI) Non-current financial assets of the Group consist of an unquoted equity investment in Waterfront Properties (Pvt) Ltd in accordance with the accounting policy disclosed in note 11 to the financial statements. The fair value is determined by management based on the discounted cash flow approach, which is derived based on the projected cash flows of Waterfront Properties (Pvt) Ltd. This was a Key Audit Matter due to: ➲ the materiality of the reported unquoted equity investment balance which amounted to Rs. 5,262 million and represented 6% of the Group's total assets as of the reporting date; and ➲ the degree of assumptions, judgements and estimates associated in deriving the Discounted Cash Flows used in the unquoted equity investment valuation. Key areas of significant management judgements, estimates and assumptions used in the valuation of unquoted equity investment include cash flow projections and unobservable inputs including revenue growth rate, EBITDA margins, discount rate, etc. as further disclosed in note 25.3 to the financial statements.	Our audit procedures focused on the valuation of the investment performed by the management, and included the following key procedures: ➲ Assessed the appropriateness of the valuation technique and reasonableness of the cash flow forecast including significant assumptions, judgements and estimates such as revenue growth rate and EBITDA margins, discount rate, etc. used by the management to ascertain the fair value of the unquoted equity investments. Our evaluation involved the use of comparable market data considering the impacts of the economic conditions prevailing in the country. ➲ Evaluated the appropriateness and completeness of the information included in the cashflow forecast and checked the calculations of discounted cash flows. Further, we evaluated the adequacy of the related disclosures in note 25.3 to the financial statements.

Other information included in the Group's 2025/2026 Annual Report

Other information consists of the information included in the Annual Report, other than the financial statements and our auditors' report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process.

Auditors' responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Company and the Group.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

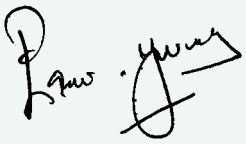
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditors' report is 2097.



25th May 2026
Colombo

Partners: D K Hulangamuwa FCA FCMA LLB (London), Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA FCCA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, N M Sulaiman FCA FCMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajeewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage FCA ACMA, C A Yalagala ACA ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), B Vasanthan ACA ACMA, W D P L Perera ACA, M U M Mansoor ACA

Principals: T P M Ruberu FCMA FCCA MBA, G B Goudian ACMA, D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shakthivel B.Com (Sp)

A member firm of Ernst & Young Global Limited

INCOME STATEMENT

For the year ended 31st March	Notes	GROUP		COMPANY	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Continuing operations					
Goods transferred at a point in time	12.2	184,595,142	157,934,367	28,062,513	24,508,115
Total revenue from contracts with customers		184,595,142	157,934,367	28,062,513	24,508,115
Cost of sales		(158,673,039)	(135,192,868)	(17,955,668)	(16,041,455)
Gross profit		25,922,103	22,741,499	10,106,845	8,466,660
Dividend income	13	-	-	3,586,470	2,346,694
Other operating income	14.1	4,725,588	3,416,788	1,161,771	1,021,018
Selling and distribution expenses		(7,186,742)	(6,279,531)	(4,782,342)	(4,094,466)
Administrative expenses		(6,702,215)	(5,870,440)	(1,951,373)	(1,648,608)
Other operating expenses	14.2	(3,180,806)	(2,694,520)	(863,193)	(753,631)
Results from operating activities		13,577,928	11,313,796	7,258,178	5,337,667
Finance cost	15	(2,608,941)	(2,424,913)	(365,571)	(248,435)
Finance income	15	87,522	89,779	35,713	35,990
Net finance cost		(2,521,419)	(2,335,134)	(329,858)	(212,445)
Change in fair value of investment property	22.1	20,646	23,385	17,000	18,751
Profit before tax	16	11,077,155	9,002,047	6,945,320	5,143,973
Tax expense	19.1	(3,191,292)	(3,044,381)	(1,017,567)	(819,295)
Profit for the year		7,885,863	5,957,666	5,927,753	4,324,678
Attributable to:					
Equity holders of the parent		7,885,863	5,957,666		
		Rs.	Rs.		
Earnings per share					
Basic / Diluted	17.2	8.30	6.27		
Dividend per share	18	5.67	4.30		

Figures in brackets indicate deductions.

The accounting policies and notes as set out on pages 281 to 347 form an integral part of these Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March	Notes	GROUP		COMPANY	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Profit for the year		7,885,863	5,957,666	5,927,753	4,324,678
Other comprehensive income					
Other comprehensive income not to be reclassified to income statement in subsequent periods					
Re-measurement gain/(loss) on defined benefit plans	35.3	(182,143)	152,918	(95,126)	93,864
Revaluation of land and buildings	20.1	443,250	549,286	193,237	116,343
Gain/(loss) on equity instruments at fair value through other comprehensive income	25.3	(1,775,842)	1,303,184	(1,775,842)	1,303,184
Net other comprehensive income not to be reclassified to income statement in subsequent periods		(1,514,735)	2,005,388	(1,677,731)	1,513,391
Tax charge on other comprehensive income		(93,796)	(457,849)	(22,934)	(333,157)
Tax charge on other comprehensive income	19.2	(93,796)	(457,849)	(22,934)	(333,157)
Other comprehensive income for the year, net of tax		(1,608,531)	1,547,539	(1,700,665)	1,180,234
Total comprehensive income for the year, net of tax		6,277,332	7,505,205	4,227,088	5,504,912
Attributable to:					
Equity holders of the parent		6,277,332	7,505,205	4,227,088	5,504,912

Figures in brackets indicate deductions.

The accounting policies and notes as set out on pages 281 to 347 form an integral part of these Financial Statements.

STATEMENT OF FINANCIAL POSITION

For the year ended 31st March	Notes	GROUP		COMPANY	
		2026	2025	2026	2025
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
ASSETS					
Non-current assets					
Property, plant and equipment	20.1	36,052,894	29,961,301	7,640,498	6,569,368
Right-of-use assets	21.1.1	11,586,027	10,540,072	434,945	483,823
Investment property	22.1	711,772	691,126	394,104	377,104
Intangible assets	23.1	5,292,282	4,603,190	1,400,024	1,452,648
Investment in subsidiaries	24.1	-	-	2,968,410	2,968,410
Non-current financial assets	25.1	5,808,006	7,522,358	5,530,631	7,295,016
Other non-current assets	26	1,411,329	1,222,463	92,372	51,701
		60,862,310	54,540,510	18,460,984	19,198,070
Current assets					
Inventories	27	18,512,822	14,895,225	3,783,337	2,958,077
Trade and other receivables	28	9,953,601	9,183,715	5,037,332	4,137,139
Amounts due from related parties	40.1	159,795	57,173	303,430	329,053
Income tax recoverable	19.4.1	124,939	124,928	-	-
Other current assets	29	1,759,656	1,369,605	490,582	449,443
Cash in hand and at bank		865,869	1,713,754	213,294	479,847
		31,376,682	27,344,400	9,827,975	8,353,559
Total assets		92,238,992	81,884,910	28,288,959	27,551,629
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Stated capital	30	918,200	918,200	918,200	918,200
Revenue reserves	31	20,407,387	18,051,326	12,440,157	11,980,129
Other components of equity	32	3,636,233	4,995,022	1,955,553	3,534,656
Total equity		24,961,820	23,964,548	15,313,910	16,432,985
Non-current liabilities					
Interest-bearing loans and borrowings	34.2	3,863,170	3,150,023	385,414	624,316
Lease liabilities	21.1.2	12,788,224	11,383,724	406,854	430,095
Deferred tax liabilities	19.3	3,755,805	3,932,054	1,478,175	1,453,601
Employee benefit liabilities	35.1	1,391,966	1,068,555	666,887	525,643
Other non-current liabilities	36	104,152	125,689	104,152	125,689
		21,903,317	19,660,045	3,041,482	3,159,344
Current liabilities					
Trade and other payables	37	24,105,907	20,833,983	3,198,028	2,768,847
Amounts due to related parties	40.2	1,404,887	993,970	440,016	316,665
Income tax liabilities	19.4	1,188,660	698,866	434,650	255,233
Short-term borrowings	39	3,038,600	1,318,487	1,600,000	-
Interest-bearing loans and borrowings	34.2	1,831,341	2,506,050	487,519	381,050
Lease liabilities	21.1.2	903,770	715,835	23,242	16,878
Other current liabilities	38	2,484,095	2,164,818	1,052,797	836,460
Bank overdraft		10,416,595	9,028,308	2,697,315	3,384,167
		45,373,855	38,260,317	9,933,567	7,959,300
Total equity and liabilities		92,238,992	81,884,910	28,288,959	27,551,629

I certify that the financial statements comply with the requirements of the Companies Act, No. 07 of 2007.

P N Fernando
Chief Financial Officer / Director

The Board of directors is responsible for these financial statements.

D P Gamlath
Director

J G A Cooray
Director

The accounting policies and notes as set out on pages 281 to 347 form an integral part of these Financial Statements.

25th May 2026
Colombo

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March	Attributable to equity holders of the parent					Total equity
	Stated capital	Revaluation reserve	Other capital reserves	Fair value reserve of financial assets at FVOCI*	Revenue reserve	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
GROUP						
As at 1 April 2024	918,200	2,147,600	712,608	605,812	16,066,477	20,450,697
Profit for the year	-	-	-	-	5,957,666	5,957,666
Other comprehensive income	-	405,299	-	1,033,089	109,151	1,547,539
Total comprehensive income	-	405,299	-	1,033,089	6,066,817	7,505,205
Share based payment transactions	-	-	90,614	-	-	90,614
Preference share dividend paid - 2023/24	-	-	-	-	(14)	(14)
Final dividend paid - 2023/24	-	-	-	-	(845,842)	(845,842)
Interim dividend paid - 2024/25	-	-	-	-	(3,236,112)	(3,236,112)
As at 31 March 2025	918,200	2,552,899	803,222	1,638,901	18,051,326	23,964,548
As at 1 April 2025	918,200	2,552,899	803,222	1,638,901	18,051,326	23,964,548
Profit for the year	-	-	-	-	7,885,863	7,885,863
Other comprehensive income	-	289,476	-	(1,769,342)	(128,665)	(1,608,531)
Total comprehensive income	-	289,476	-	(1,769,342)	7,757,198	6,277,332
Share based payment transactions	-	-	121,077	-	-	121,077
Preference share dividend paid - 2024/25	-	-	-	-	(14)	(14)
Final dividend paid - 2024/25	-	-	-	-	(1,896,048)	(1,896,048)
Interim dividend paid - 2025/26	-	-	-	-	(3,505,075)	(3,505,075)
As at 31 March 2026	918,200	2,842,375	924,299	(130,441)	20,407,387	24,961,820
COMPANY						
As at 1 April 2024	918,200	1,363,528	408,841	605,812	11,671,714	14,968,095
Profit for the year	-	-	-	-	4,324,678	4,324,678
Other comprehensive income	-	81,440	-	1,033,089	65,705	1,180,234
Total comprehensive income	-	81,440	-	1,033,089	4,390,383	5,504,912
Share based payment transactions	-	-	41,946	-	-	41,946
Preference share dividend paid - 2023/24	-	-	-	-	(14)	(14)
Final dividend paid - 2023/24	-	-	-	-	(845,842)	(845,842)
Interim dividend paid - 2024/25	-	-	-	-	(3,236,112)	(3,236,112)
As at 31 March 2025	918,200	1,444,968	450,787	1,638,901	11,980,129	16,432,985
As at 1 April 2025	918,200	1,444,968	450,787	1,638,901	11,980,129	16,432,985
Profit for the year	-	-	-	-	5,927,753	5,927,753
Other comprehensive income	-	135,265	-	(1,769,342)	(66,588)	(1,700,665)
Total comprehensive income	-	135,265	-	(1,769,342)	5,861,165	4,227,088
Share based payment transactions	-	-	54,974	-	-	54,974
Preference share dividend paid - 2024/25	-	-	-	-	(14)	(14)
Final dividend paid - 2024/25	-	-	-	-	(1,896,048)	(1,896,048)
Interim dividend paid - 2025/26	-	-	-	-	(3,505,075)	(3,505,075)
As at 31 March 2026	918,200	1,580,233	505,761	(130,441)	12,440,157	15,313,910

* Fair value through other comprehensive income

Figures in brackets indicate deductions.

The accounting policies and notes as set out on pages 281 to 347 form an integral part of these Financial Statements.

STATEMENT OF CASH FLOWS

For the year ended 31st March	Notes	GROUP 2026 Rs.'000	GROUP 2025 Rs.'000	COMPANY 2026 Rs.'000	COMPANY 2025 Rs.'000
OPERATING ACTIVITIES					
Profit before working capital changes	A	19,417,110	16,118,260	4,931,932	3,955,932
(Increase) / decrease in inventories		(3,682,462)	(2,237,308)	(831,348)	(183,464)
(Increase) / decrease in trade and other receivables		(1,061,899)	(2,074,145)	(927,298)	(836,339)
(Increase) / decrease in amounts due from related parties		(102,622)	103,042	25,623	(71,381)
(Increase) / decrease in other current assets		(390,051)	(169,276)	(41,139)	37,289
Increase / (decrease) in trade and other payables		3,271,924	3,405,617	429,181	519,793
Increase / (decrease) in amounts due to related parties		410,917	(329,654)	123,351	(133,555)
Increase / (decrease) in other current liabilities		319,277	122,018	216,337	147,589
Increase / (decrease) in other non-current liabilities		(21,537)	14,430	(21,537)	14,430
Cash generated from operations		18,160,657	14,952,984	3,905,102	3,450,294
Finance income received		67,899	68,991	17,189	16,105
Finance expenses paid		(1,152,347)	(1,076,296)	(324,783)	(234,410)
Tax paid	19.4	(2,971,555)	(1,955,867)	(836,510)	(792,834)
Gratuity paid/transfers	35.3	(98,914)	(92,917)	(52,179)	(55,534)
Net cash flow from operating activities		14,005,740	11,896,895	2,708,819	2,383,621
INVESTING ACTIVITIES					
Purchase and construction of property, plant and equipment	20.1	(8,909,680)	(4,455,486)	(1,773,882)	(1,521,625)
Purchase of intangible assets	23.1	(1,505,987)	(793,749)	(110,485)	(67,354)
Proceeds from sale of property plant and equipment		9,332	25,652	612	23,387
Proceeds from sale of intangible assets		15,450	-	-	-
Dividend income received	13	-	-	3,586,470	2,346,694
Net cash flow from/(used in) investing activities		(10,390,885)	(5,223,583)	1,702,715	781,102
FINANCING ACTIVITIES					
Dividend paid to equity holders of parent	18	(5,401,123)	(4,081,954)	(5,401,123)	(4,081,954)
Dividend paid to preference shareholders	17.1	(14)	(14)	(14)	(14)
Proceeds from interest bearing loans and borrowings	34.1	2,500,490	2,562,103	304,618	232,102
Repayment of interest bearing loans and borrowings	34.1	(2,462,052)	(4,572,650)	(437,051)	(216,400)
Repayment of lease liabilities	21.1.2	(2,208,441)	(2,206,100)	(57,665)	(19,339)
Proceeds from/(repayment of) short term borrowings (net)	39	1,720,113	418,487	1,600,000	(500,000)
Net cash flow used in financing activities		(5,851,027)	(7,880,128)	(3,991,235)	(4,585,605)

For the year ended 31st March	Notes	GROUP		COMPANY	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(2,236,172)	(1,206,816)	420,299	(1,420,882)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		(7,314,554)	(6,107,738)	(2,904,320)	(1,483,438)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		(9,550,726)	(7,314,554)	(2,484,021)	(2,904,320)
ANALYSIS OF CASH AND CASH EQUIVALENTS					
Favourable balances					
Cash in hand and at bank		865,869	1,713,754	213,294	479,847
Unfavourable balances					
Bank overdrafts		(10,416,595)	(9,028,308)	(2,697,315)	(3,384,167)
Total cash and cash equivalents		(9,550,726)	(7,314,554)	(2,484,021)	(2,904,320)
Note A					
Profit before working capital changes					
Profit before tax		11,077,155	9,002,047	6,945,320	5,143,973
Adjustments for:					
Finance income	15	(87,522)	(89,779)	(35,713)	(35,990)
Finance cost	15	2,608,941	2,424,913	365,571	248,435
Dividend income	13	-	-	(3,586,470)	(2,346,694)
Change in fair value of investment property	22.1	(20,646)	(23,385)	(17,000)	(18,751)
Depreciation of property, plant and equipment	20.1	3,190,051	2,739,927	895,966	727,692
Amortisation of right-of-use assets	21.1.1	1,358,523	1,244,321	48,878	17,360
Foreign exchange (gain) / loss on lease liability	21.1.2	11,375	(2,269)	-	-
Amortisation of intangible assets	23.1	813,844	680,939	163,109	156,812
(Gain) / loss on sale of property, plant and equipment, Intangible assets & ROU assets	14	46,946	(75,403)	(589)	(14,452)
Share based payment expense	33	121,077	90,614	54,974	41,946
Employee benefit provisions and related costs	35.2	240,182	226,514	98,297	99,858
Provision for / (reversal of) slow moving inventory	27.1	64,865	(98,573)	6,088	(59,774)
Reversal of impairment of trade and other receivables	28	(7,681)	(1,606)	(6,499)	(4,483)
		19,417,110	16,118,260	4,931,932	3,955,932

Cash and cash equivalents in the Statement of Financial Position comprise of cash at banks and in hand. For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash as defined above, net of outstanding bank overdrafts.

Figures in brackets indicate deductions.
The accounting policies and notes as set out on pages 281 to 347 form an integral part of these Financial Statements.

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NOTES TO THE FINANCIAL STATEMENTS

CORPORATE AND GROUP INFORMATION

1. CORPORATE INFORMATION

Reporting entity

Ceylon Cold Stores PLC is a public limited liability Company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The registered office of the Company is located at 117, Sir Chittampalam A. Gardiner Mawatha, Colombo 02. Principal place of business of the Company is located at Level 20, The Offices at Cinnamon Life, No. 05, Justice Akbar Mawatha, Colombo 02. The manufacturing facilities for the production of Beverages and Confectionery are located at Ranala, Ittapana and Kotagala.

Ordinary shares of the Company are listed on the Colombo Stock Exchange.

Consolidated Financial Statements

The Consolidated Financial Statements for the year ended 31st March 2026, comprise "the Company" referring to Ceylon Cold Stores PLC (CCS) as the holding Company and "the Group" referring to the companies whose accounts have been consolidated therein.

Approval of Consolidated Financial Statements

The Consolidated Financial Statements of the Group for the year ended 31st March 2026 were authorised for issue by the Directors 25th May 2026.

Principal Activities and Nature of Operations

Company

The principal activity of the Company is the manufacture, marketing and sales of Beverages and Confectionery.

Subsidiaries

Jaykay Marketing Services (Pvt) Ltd

The principal activity of the wholly-owned subsidiary, Jaykay Marketing Services (Pvt) Ltd (JMSL) is owning and operating a chain of supermarkets and "Nexus Mobile" loyalty programme .The registered office of the Company is located at 117, Sir Chittampalam A. Gardiner Mawatha, Colombo 02. The principal place of business of the Company is located at 148, Vauxhall Street, Colombo 02.

LogiPark International (Pvt) Ltd

LogiPark International (Pvt) Ltd (LPI) is a wholly owned subsidiary of JMSL. LPI was incorporated on 06th July 2018 to construct and operate a 260,000 sq. ft. mega logistics centre on a 9-acre land in Kerawalapitiya. The Company has also qualified for Section 17 of the Board of Investment (BOI) Act to execute the project.

The Colombo Ice Company (Pvt) Ltd

The principal activity of the Company is the manufacture, marketing and sales of Confectionery. The registered office of the Company is located at 117, Sir Chittampalam A. Gardiner Mawatha, Colombo 02. Principal place of business of the Company is located at Level 20, The Offices at Cinnamon Life, No. 05, Justice Akbar Mawatha, Colombo 02. The manufacturing facility of the Company is located at Seethawaka Industrial Zone, Avissawella.

There was no significant change in the nature of the principal activities of the Group during the financial year under review other than mentioned above.

Parent Enterprise and Ultimate Parent Enterprise

The Company's Parent undertaking is John Keells Holdings PLC.

The Directors are of the opinion that the Company's Ultimate Parent undertaking and controlling party is John Keells Holdings PLC which is incorporated in Sri Lanka.

Responsibility for Financial Statements

The responsibility of the Board of Directors in relation to the Financial Statements is set out in the Statement of Directors' Responsibility on page 270 in the Annual Report.

Statement of Compliance

The Financial Statements which comprise the Statement of Financial Position, Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows, together with the accounting policies and notes (the "Financial Statements") have been prepared in accordance with Sri Lanka Accounting Standards (SLFRSs/LKASs) as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the requirement of the Companies Act, No. 07 of 2007.

BASIS OF PREPARATION AND OTHER SIGNIFICANT ACCOUNTING POLICIES

2. BASIS OF PREPARATION

The Consolidated Financial Statements have been prepared on an accrual basis and under the historical cost convention except for the land, buildings, investment properties and financial assets at fair value through other comprehensive income.

Going Concern

The Group has prepared the Financial Statements for the year ended 31 March 2026 on the basis that it will continue to operate as a going concern. Based on available information, the management has assessed prevailing macroeconomic conditions and its effect on the CCS Group companies in determining the going concern basis for preparation of Financial Statements.

The management has formed judgment that the Company and its subsidiaries have adequate resources to continue in operational existence for the foreseeable future driven by the continuous operationalisation of risk mitigation initiatives and monitoring of business continuity and response plans at each business unit level along with the financial strength of the Group.

Presentation and Functional Currency

The Consolidated Financial Statements are presented in Sri Lankan Rupees (Rs.), the Group's functional and presentation currency, which is the primary economic environment in which the Holding Company operates. Each entity in the Group uses the currency of the primary economic environment in which they operate as their functional currency.

Each material class of similar items is presented cumulatively in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by the Sri Lanka Accounting Standard-LKAS 1 on 'Presentation of Financial Statements'.

All values are rounded to the nearest Rupees thousand (Rs. '000) except when otherwise indicated.

The significant accounting policies are discussed with relevant individual notes.

Comparative information

The presentation and classification of the Financial Statements of the previous years have been amended, where relevant for better presentation and to be comparable with those of the current year.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Summary of material accounting policies have been disclosed along with the relevant individual notes in the subsequent pages.

Those accounting policies presented with each note have been applied consistently by the Group.

Other material accounting policies not covered with individual notes.

Following accounting policies which have been applied consistently by the Group, are considered to be material but are not covered in any other sections.

Current versus non-current classification

The Group presents assets and liabilities in the Statement of Financial Position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is considered as current when:

- it is expected to be settled in normal operating cycle
- it is held primarily for the purpose of trading
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities accordingly.

Foreign Currency translation, foreign currency transactions and balances

The Consolidated Financial Statements are presented in Sri Lanka Rupees (Rs), which is the Company's functional and presentation currency. The functional currency is the currency of the primary economic environment in which the entities of the Group operate. All foreign exchange transactions are converted to functional currency, at the rates of exchange prevailing at the time the transactions are effected. Monetary assets and liabilities denominated in foreign currency are retranslated to functional currency equivalents at the spot exchange rate prevailing at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. The gain or loss arising on translation of non-monetary items is treated in line with the recognition of gain or loss on changing fair value of the item.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Financial Statements of the Group require the management to make judgments, estimates and assumptions, which may affect the amounts of income, expenditure, assets, liabilities and the disclosure of contingent liabilities, at the end of the reporting period.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In the process of applying the Group's accounting policies, management has made various judgements. Those which management has assessed to have the most significant effect on the amounts recognised in the Consolidated Financial Statements have been discussed in the individual notes of the related Financial Statement line items.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also described in the individual notes to the Financial Statements.

The Group based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

The line items which have most significant effect on accounting, judgements, estimates and assumptions are as follows;

a) Valuation of property, plant and equipment and investment property (Note 20 and Note 22)
b) Impairment of intangible assets (Note 23)
c) Share based payments (Note 33)
d) Taxes (Note 19)
e) Employee benefit liability (Note 35)
f) Provision for expected credit losses of trade receivables (Note 28)
g) Right-of-use assets and lease liabilities (Note 21)
h) Valuation of unquoted equity investments(Note 25)
i) Going concern basis (Note 02)

5. CHANGES IN ACCOUNTING STANDARDS AND STANDARDS ISSUED BUT NOT YET EFFECTIVE

Changes in accounting standards

The following amendments and improvements are not expected to have a significant impact on the Group's financial statements.

- Amendments to LKAS 21: Lack of Exchangeability

Standards issued but not yet effective

SLFRS 18: Presentation and Disclosure in Financial Statements

The Group is currently assessing the potential impact of SLFRS 18 on its financial statements and related disclosures. A comprehensive evaluation, including transition planning and implementation activities, is expected to be completed prior to the adoption of the standard.

The following amendments and improvements are not expected to have a significant impact on the Group's financial statements.

- Amendments to SLFRS 9 and SLFRS 7 : Classification and Measurement of Financial Instruments
- SLFRS 19 : Subsidiaries without public accountability: Disclosures

6 OPERATING SEGMENT INFORMATION

Accounting Policy

The Group's internal organisation and management is structured based on individual products and services which are similar in nature and process and where the risks and returns are similar. The operating segments represent this business structure.

In addition, segments are determined based on the Group's geographical spread of operations as well. The geographical analysis of turnover and profits are based on location of customers and assets respectively.

As such for management purposes, the Group is organized into business units based on their products and services and has two operating business segments as manufacturing and supermarkets.

The measurement policies the Group uses for segment reporting under SLFRS 8 are the same as those used in its Financial Statements.

The manufacturing business is mainly carried out by the Company and fully owned Subsidiary, The Colombo Ice Company (Pvt) Limited. Supermarkets are carried out by the fully-owned Subsidiary, Jaykay Marketing Services (Pvt) Limited and its fully owned Subsidiary, LogiPark International (Pvt) Limited.

Each of these operating segments are managed by Presidents acting as segment managers namely;

- Manufacturing segment – President, Consumer Foods Sector
- Supermarkets segment – President, Supermarket Sector

These operating segments are monitored and strategic decisions are made on the basis of segment operating results.

Segment information

Segment information has been prepared in conformity with the accounting policies adopted for preparing and presenting the Consolidated Financial Statements of the Group. All Inter-Segment transfers are carried out at arm's length prices.

The following tables present revenue and profit information regarding the Group's operating segments.

6.1 Business segments

For the year ended 31st March	Manufacturing		Supermarkets		Total	
	2026	2025	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Goods transferred at a point in time						
- External Revenue	38,022,374	33,516,560	146,572,768	124,417,807	184,595,142	157,934,367
- Inter segment revenue	1,530,445	1,433,496	2,027,656	1,878,236	3,558,101	3,311,732
Total segment revenue from contracts with customers	39,552,819	34,950,056	148,600,424	126,296,043	188,153,243	161,246,099
Elimination					(3,558,101)	(3,311,732)
Net segment revenue from contracts with customers	39,552,819	34,950,056	148,600,424	126,296,043	184,595,142	157,934,367
Segment operating profit	9,029,541	7,385,332	8,141,914	6,287,260	17,171,455	13,672,592
Finance costs	(487,686)	(290,409)	(2,121,255)	(2,134,504)	(2,608,941)	(2,424,913)
Finance income	38,033	37,695	49,489	52,084	87,522	89,779
Change in fair value of investment property	17,000	18,751	3,646	4,634	20,646	23,385
Eliminations / adjustments					(3,593,527)	(2,358,796)
Profit before tax	8,596,888	7,151,369	6,073,794	4,209,474	11,077,155	9,002,047
Tax expense*	(988,505)	(1,418,666)	(2,202,787)	(1,625,715)	(3,191,292)	(3,044,381)
Profit for the year	7,608,383	5,732,703	3,871,007	2,583,759	7,885,863	5,957,666
Purchase and construction of property, plant and equipment	4,618,222	1,933,646	4,291,458	2,521,840	8,909,680	4,455,486
Addition to intangible assets	112,926	67,354	1,393,061	726,395	1,505,987	793,749
Depreciation of property, plant and equipment	1,231,767	997,925	1,958,284	1,742,002	3,190,051	2,739,927
Amortization of intangible assets	165,962	159,865	647,882	521,074	813,844	680,939
Amortisation of right-of-use assets	54,169	22,651	1,304,354	1,221,670	1,358,523	1,244,321
Employee benefit provisions and related costs	103,682	104,104	136,500	122,410	240,182	226,514

** Manufacturing and Supermarkets segment tax expense includes tax on consolidation adjustments*

In addition to segment results, information such as finance cost and finance income, tax expenses and tax credits have been allocated to segments for better presentation.

6.2 Disaggregation of revenue- Geographical segment analysis (by location of customers)

For the year ended 31st March	GROUP		COMPANY	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Sri Lanka	183,743,487	157,079,381	27,257,357	23,779,780
Outside Sri Lanka	851,655	854,986	805,156	728,335
Total revenue from contracts with customers	184,595,142	157,934,367	28,062,513	24,508,115

6.3 Following is a reconciliation of the amounts in the Statement of Financial Position for the reportable segments

As at 31st March	Manufacturing		Supermarkets		Total	
	2026	2025	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
ASSETS						
Non-current assets						
Property, plant and equipment	14,251,221	10,549,957	21,808,935	19,418,606	36,060,156	29,968,563
Rights-of-use assets	635,533	689,702	10,950,494	9,850,370	11,586,027	10,540,072
Investment property	394,104	377,104	317,668	314,022	711,772	691,126
Intangible assets	1,408,626	1,461,662	3,768,650	3,026,522	5,177,276	4,488,184
Non-current financial assets	5,553,963	7,309,075	254,043	213,283	5,808,006	7,522,358
Other non-current assets	104,767	58,564	1,306,562	1,163,899	1,411,329	1,222,463
Segment non-current assets	22,348,214	20,446,064	38,406,352	33,986,702	60,754,566	54,432,766
Goodwill					115,006	115,006
Eliminations / adjustments					(7,262)	(7,262)
Total non-current assets	22,348,214	20,446,064	38,406,352	33,986,702	60,862,310	54,540,510
Current assets						
Inventories	6,187,800	4,554,454	12,372,680	10,381,376	18,560,480	14,935,830
Trade and other receivables	6,774,645	5,655,867	3,178,956	3,527,848	9,953,601	9,183,715
Amounts due from related parties	347,059	377,781	244,347	108,700	591,406	486,481
Other current assets	825,578	757,337	934,078	612,268	1,759,656	1,369,605
Income tax recoverable	120,658	120,658	4,281	4,270	124,939	124,928
Cash in hand and at bank	220,153	551,368	645,716	1,162,386	865,869	1,713,754
Eliminations / adjustments	-	-	-	-	(479,269)	(469,913)
Total segment current assets	14,475,893	12,017,465	17,380,058	15,796,848	31,376,682	27,344,400
Total assets	36,824,107	32,463,529	55,786,410	49,783,550	92,238,992	81,884,910
LIABILITIES						
Non-current liabilities						
Interest bearing loans and borrowings	1,847,953	624,316	2,015,217	2,525,707	3,863,170	3,150,023
Lease liabilities	543,741	559,727	12,244,483	10,823,997	12,788,224	11,383,724
Deferred tax liabilities	2,057,279	2,181,992	1,698,526	1,750,062	3,755,805	3,932,054
Employee benefit liabilities	694,339	543,702	697,627	524,853	1,391,966	1,068,555
Other non-current liabilities	104,152	125,689	-	-	104,152	125,689
Total segment non-current liabilities	5,247,464	4,035,426	16,655,853	15,624,619	21,903,317	19,660,045
Current liabilities						
Trade and other payables	4,485,698	3,771,367	19,620,209	17,062,616	24,105,907	20,833,983
Amounts due to related parties	629,080	465,308	1,207,418	957,969	1,836,498	1,423,277
Income tax liabilities	434,650	255,233	754,010	443,633	1,188,660	698,866
Short- term borrowings	1,600,000	-	1,438,600	1,318,487	3,038,600	1,318,487
Interest bearing loans and borrowings	1,220,852	381,050	610,489	2,125,000	1,831,341	2,506,050
Lease liabilities	25,001	18,305	878,769	697,530	903,770	715,835
Other current liabilities	1,094,016	972,885	1,390,079	1,191,933	2,484,095	2,164,818
Bank overdrafts	4,000,404	4,241,501	6,416,191	4,786,807	10,416,595	9,028,308
Eliminations / adjustments					(431,611)	(429,307)
Total segment current liabilities	13,489,701	10,105,649	32,315,765	28,583,975	45,373,855	38,260,317
Total liabilities	18,737,165	14,141,075	48,971,618	44,208,594	67,277,172	57,920,362

6.4 Following is a summary of cash flows from/(used in) operating segments

For the Year ended 31st March	Manufacturing		Supermarkets		Total	
	2026	2025	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Net cash flow from operating activities	3,317,172	3,480,607	10,688,568	8,416,288	14,005,740	11,896,895
Net cash flow used in investing activities	(4,777,271)	(2,026,748)	(5,613,614)	(3,196,835)	(10,390,885)	(5,223,583)
Net cash flow from/(used in) financing activities	1,369,983	(3,132,742)	(7,221,010)	(4,747,386)	(5,851,027)	(7,880,128)
Net increase/(decrease) in cash and cash equivalents	(90,116)	(1,678,883)	(2,146,056)	472,067	(2,236,172)	(1,206,816)

7 BASIS OF CONSOLIDATION

Accounting Policy

Basis of Consolidation

The Consolidated Financial Statements comprise the Financial Statements of the Company and its Subsidiaries as at 31st March 2026. The Financial Statements of the Subsidiaries are prepared in compliance with the Group's accounting policies unless otherwise stated.

Control over an investee

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

The following Companies have been consolidated based on above criteria.

Name of the Company	Effective holding
Jaykay Marketing Services (Pvt) Ltd.	100%
The Colombo Ice Company (Pvt) Ltd.	100%
LogiPark International (Pvt) Ltd.	100%

Subsidiaries

Subsidiaries are fully consolidated from the date of acquisition or incorporation, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The Financial Statements of the Subsidiaries are prepared for the same reporting period as the Company, which is 12 months ending 31st March, using consistent accounting policies.

The total profits and losses for the year of the Company and of its Subsidiaries included in consolidation are shown in the Consolidated Income Statement and Consolidated Statement of Comprehensive Income and all assets and liabilities of the Company and of its Subsidiaries included in consolidation are shown in the Consolidated Statement of Financial Position.

The Consolidated Statements of Cash Flows includes the cash flows of the Company and its Subsidiaries.

A change in the ownership interest of a Subsidiary, without a loss of control, is accounted for as an equity transaction.

Transactions Eliminated on Consolidation

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Loss of Control

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in the Income Statement. Any investment retained is recognised at fair value.

Non-controlling Interest

Non-controlling interest which represents the portion of profit or loss and net assets not held by the Group, are shown as a component of profit for the year in the Consolidated Income Statement and Statement of Comprehensive Income and as a Component of Equity in the Consolidated Statement of Financial Position, separately from the equity attributable to the shareholders of the parent. The Group does not have non-controlling interest as the Group consist of fully owned Subsidiaries.

8 BUSINESS COMBINATIONS AND GOODWILL

Accounting Policy

Business combinations are accounted for using the acquisition method of accounting. The Group measures goodwill at the acquisition date as the fair value of the consideration transferred including the recognised amount of any non-controlling interests in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

When the fair value of the consideration transferred including the recognised amount of any non-controlling interests in the acquiree is lower than the fair value of net assets acquired, a gain is recognised immediately in the Income Statement. The Group elects on a transaction-by-transaction basis whether to measure non-controlling interests at fair value, or at their proportionate share of the recognised amount of the identifiable net assets, at the acquisition date. Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances, and pertinent conditions as at the acquisition date. If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SLFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the Income Statement, in accordance with SLFRS 9. Other contingent consideration that is not within the scope of SLFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

8 BUSINESS COMBINATIONS AND GOODWILL (CONTD.)

Accounting Policy

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash generating unit is less than the carrying amount, an impairment loss is recognised. The impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets pro-rata to the carrying amount of each asset in the unit.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation, goodwill disposed in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash generating unit retained.

Common Control Business Combinations

SLFRS 3 – Business Combination scopes out common control business combinations. LKAS 8 – Accounting policies, Changes in Accounting estimates and errors – requires that in the absence of specific guidance in SLFRS, management should use its judgment in developing and applying an accounting policy that is relevant and reliable. Accordingly, The Group selected pooling of interest method as the most appropriate method for accounting the business combinations involving business under common control.

The concept underlying the use of pooling of interest method to account for a business combination is that no acquisition has occurred and there has been a continuation of the risks and benefits to the controlling party (or parties) that existed prior to the business combination.

Under the pooling of interest method, the net assets of the combining entities are consolidated using the existing book values from the controlling parties' perspective. The assets and liabilities of the acquired entity are recorded at the book values as stated in the Financial Statements of the controlling party.

No amount is recognised as consideration for goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination.

Impairment of Goodwill

Goodwill is tested for impairment annually (as at 31st March) and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash generating unit is less than their carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

9 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial assets held by the Group, principally comprise of cash, loans to executives, trade and other receivables and financial assets at fair value through other comprehensive income. The main purpose of these financial instruments is to manage the operating, investing and financing activities of the Group.

The Group's principal financial liabilities, comprise of loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations.

The financial risk governance framework provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured, and managed in accordance with the Group's policies and risk objectives. The Group is exposed to market risk, credit risk and liquidity risk.

9.1 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Group trades only with recognised, creditworthy third parties. It is the Group's policy that all clients who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

With respect to credit risk arising from the other financial assets of the Group, such as cash and cash equivalents, financial assets at fair value through other comprehensive income and loans to executives, the Group's exposure to credit risk arises from default of the counterparty. The Group manages its operations to avoid any excessive concentration of counterparty risk and the Group takes all reasonable steps to ensure the counterparties fulfil their obligations.

9.1.1 Credit risk exposure

The maximum risk positions of financial assets which are generally subject to credit risk are equal to their carrying amounts (without consideration of collateral, if available).The following table shows the maximum risk positions;

GROUP

As at 31st March	Notes	2026					
		Non-current financial assets	Cash in hand and at bank	Trade and other receivables	Amounts due from related parties	Total	% of allocation
		Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
Loans to executives	9.1.2	545,584	-	147,893	-	693,477	6%
Trade and other receivables	9.1.3	-	-	9,805,708	-	9,805,708	85%
Amounts due from related parties	9.1.4	-	-	-	159,795	159,795	1%
Cash in hand and at bank	9.1.5	-	865,869	-	-	865,869	8%
Total credit risk exposure		545,584	865,869	9,953,601	159,795	11,524,849	100%
Financial Assets at fair value through OCI	9.1.6	5,262,422	-	-	-		
Total equity risk exposure		5,262,422	-	-	-		
Total		5,808,006	865,869	9,953,601	159,795		

As at 31st March	Notes	2025					
		Non-current financial assets	Cash in hand and at bank	Trade and other receivables	Amounts due from related parties	Total	% of allocation
		Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
Loans to executives	9.1.2	484,094	-	128,071	-	612,165	5%
Trade and other receivables	9.1.3	-	-	9,055,644	-	9,055,644	80%
Amounts due from related parties	9.1.4	-	-	-	57,173	57,173	0%
Cash in hand and at bank	9.1.5	-	1,713,754	-	-	1,713,754	15%
Total credit risk exposure		484,094	1,713,754	9,183,715	57,173	11,438,736	100%
Financial Assets at fair value through OCI	9.1.6	7,038,264	-	-	-		
Total equity risk exposure		7,038,264	-	-	-		
Total		7,522,358	1,713,754	9,183,715	57,173		

9.1.1 Credit risk exposure (Contd.)

COMPANY

As at 31st March	Notes	2026 Non-current financial assets Rs.'000	Cash in hand and at bank Rs.'000	Trade and other receivables Rs.'000	Amounts due from related parties Rs.'000	Total Rs.'000	% of allocation
Loans to executives	9.1.2	268,209	-	77,667	-	345,876	6%
Trade and other receivables	9.1.3	-	-	4,959,665	-	4,959,665	85%
Amounts due from related parties	9.1.4	-	-	-	303,430	303,430	5%
Cash in hand and at bank	9.1.5	-	213,294	-	-	213,294	4%
Total credit risk exposure		268,209	213,294	5,037,332	303,430	5,822,265	100%
Financial Assets at fair value through OCI	9.1.6	5,262,422	-	-	-		
Total equity risk exposure		5,262,422	-	-	-		
Total		5,530,631	213,294	5,037,332	303,430		

As at 31st March	Notes	2025 Non-current financial assets Rs.'000	Cash in hand and at bank Rs.'000	Trade and other receivables Rs.'000	Amounts due from related parties Rs.'000	Total Rs.'000	% of allocation
Loans to executives	9.1.2	256,752	-	76,576	-	333,328	6%
Trade and other receivables	9.1.3	-	-	4,060,563	-	4,060,563	79%
Amounts due from related parties	9.1.4	-	-	-	329,053	329,053	6%
Cash in hand and at bank	9.1.5	-	479,847	-	-	479,847	9%
Total credit risk exposure		256,752	479,847	4,137,139	329,053	5,202,791	100%
Financial Assets at fair value through OCI	9.1.6	7,038,264	-	-	-		
Total equity risk exposure		7,038,264	-	-	-		
Total		7,295,016	479,847	4,137,139	329,053		

9.1.2 Loans to executives

Loans to executive portfolio is largely made up of vehicle loans which are given to staff at assistant manager level and above. The respective business units have obtained the necessary Power of Attorney/promissory notes as collateral for the loans granted.

9.1.3 Trade and other receivables

For the year ended 31st March	GROUP		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Neither past due nor impaired				
days				
<30	8,668,904	7,888,751	4,304,485	3,483,186
30–60	902,865	831,441	480,429	411,472
61–90	117,757	275,085	87,001	111,216
Past due but not impaired				
91–120	29,975	10,321	18,323	10,078
121–180	41,227	6,461	28,792	1,026
> 181	137,212	143,498	98,113	107,562
Gross carrying value	9,897,940	9,155,557	5,017,143	4,124,540
Allowance for expected credit losses	(92,232)	(99,913)	(57,478)	(63,977)
Total	9,805,708	9,055,644	4,959,665	4,060,563

The Group has obtained bank guarantees from customers by reviewing their past performance and credit worthiness, as collateral. The requirement for an impairment is analysed at each reporting date on an individual basis for major customers and uses a provision matrix to calculate Expected Credit Loss (ECL) for the balance. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix was initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The Group considers a financial asset including trade and receivable as indicating impairment when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to provide impairment indications when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

9.1.4 Amounts due from related parties

The Group's amount due from related parties mainly consists of the balances from affiliate companies and Parent.

9.1.5 Credit risk relating to cash and cash equivalents

In order to mitigate the concentration, settlement and operational risks related to cash and cash equivalents, the Group consciously manages the exposure to a single counterparty taking into consideration, where relevant, the rating or financial standing of the counterparty, where the position is reviewed as and when required, the duration of the exposure in managing such exposures and the nature of the transaction and agreement governing the exposure. The Group held a negative balance of cash and cash equivalents of Rs. 9,551 million at 31st March 2026 (2025 - Rs. 7,315 million).

9.1.6 Financial Assets at fair value through OCI

The unquoted equity investment in Waterfront Properties (Pvt) Ltd is classified as a financial asset at fair value through OCI. The Company shareholding as at the reporting date was 2.47% (2025 - 2.71%).

All unquoted equity investments are made after obtaining the Board of Directors approval.

9.2 Liquidity Risk

The Group's policy is to hold cash and undrawn committed facilities at a level sufficient to ensure that the Group has available funds to meet its medium term capital and funding obligations, including organic growth and acquisition activities, and to meet any unforeseen obligations and opportunities. The Group holds cash and undrawn committed facilities to enable the Group to manage its liquidity risk.

The Group monitors its risk to a shortage of funds using a daily cash management process. This process considers the maturity of both the Group's financial investments and financial assets (e.g. accounts receivable, other financial assets) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of multiple sources of funding including bank loans, overdrafts over a broad spread of maturities.

9.2.1 Net (debt)/cash

As at 31st March	GROUP		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Cash in hand and at bank	865,869	1,713,754	213,294	479,847
Total liquid Assets	865,869	1,713,754	213,294	479,847
Interest-bearing loans and borrowings (Non-current)	3,863,170	3,150,023	385,414	624,316
Short-term borrowings	3,038,600	1,318,487	1,600,000	-
Interest-bearing loans and borrowings (Current)	1,831,341	2,506,050	487,519	381,050
Bank overdrafts	10,416,595	9,028,308	2,697,315	3,384,167
Total liquid liabilities	19,149,706	16,002,868	5,170,248	4,389,533
Net debt	(18,283,837)	(14,289,114)	(4,956,954)	(3,909,686)

9.2.2 Liquidity risk management

Group has implemented a mixed approach that combines elements of the cash flow matching approach and the liquid assets approach. The business units attempt to match cash outflows in each time bucket against the combination of contractual cash inflows plus other inflows that can be generated through the sale of assets, repurchase agreement, or other secured borrowings.

The Group continued to place emphasis on ensuring that cash and undrawn committed facilities are sufficient to meet the short, medium and long-term funding requirements, unforeseen obligations as well as unanticipated opportunities. Constant dialogue between Group companies and banks regarding financing requirements, ensures that availability within each single borrower limit is optimised by efficiently reallocating under-utilised facilities within the Group.

The daily cash management processes at the business units include active cash flow forecasts and matching the duration and profiles of assets and liabilities, thereby ensuring a prudent balance between liquidity and earnings.

Maturity analysis - Group

The table below summarises the maturity profile of the Group's financial liabilities at 31st March 2026 based on contractual undiscounted (principal plus interest) payments.

As at 31st March	2026						
	Within 1 year Rs.'000	Between 1-2 years Rs.'000	Between 2-3 years Rs.'000	Between 3-4 years Rs.'000	Between 4-5 years Rs.'000	More than 5 years Rs.'000	Total Rs.'000
Interest-bearing loans and borrowings	1,361,113	3,773,714	1,270,699	891,980	89,290	-	7,386,796
Lease liabilities	2,687,749	4,575,465	2,463,321	2,508,158	2,117,261	11,790,684	26,142,638
Trade and other payables	24,105,907	-	-	-	-	-	24,105,907
Amounts due to related parties	1,404,887	-	-	-	-	-	1,404,887
Short-term borrowings	3,038,600	-	-	-	-	-	3,038,600
Bank overdrafts	10,416,595	-	-	-	-	-	10,416,595
	43,014,851	8,349,179	3,734,020	3,400,138	2,206,551	11,790,684	72,495,423

The table below summarises the maturity profile of the Group's financial liabilities at 31st March 2025 based on contractual undiscounted (principal plus interest) payments

As at 31st March	2025						
	Within 1 year	Between 1-2 years	Between 2-3 years	Between 3-4 years	Between 4-5 years	More than 5 years	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Interest-bearing loans and borrowings	2,967,909	1,112,609	2,464,313	163,673	-	-	6,708,504
Lease liabilities	2,130,374	2,140,487	2,137,618	2,162,937	2,190,234	11,222,496	21,984,146
Trade and other payables	20,833,983	-	-	-	-	-	20,833,983
Amounts due to related parties	993,970	-	-	-	-	-	993,970
Short-term borrowings	1,318,487	-	-	-	-	-	1,318,487
Bank overdrafts	9,028,308	-	-	-	-	-	9,028,308
	37,273,031	3,253,096	4,601,931	2,326,610	2,190,234	11,222,496	60,867,398

Maturity analysis - Company

The table below summarises the maturity profile of the Company's financial liabilities at 31st March 2026 based on contractual undiscounted (principal plus interest) payments.

As at 31st March	2026						
	Within 1 year	Between 1-2 years	Between 2-3 years	Between 3-4 years	Between 4-5 years	More than 5 years	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Interest-bearing loans and borrowings	633,173	647,962	339,195	193,188	89,290	-	1,902,808
Lease liabilities	62,266	64,566	69,717	72,293	78,062	292,136	639,040
Trade and other payables	3,198,028	-	-	-	-	-	3,198,028
Amounts due to related parties	440,016	-	-	-	-	-	440,016
Short-term borrowings	1,600,000	-	-	-	-	-	1,600,000
Bank overdrafts	2,697,315	-	-	-	-	-	2,697,315
	8,630,798	712,528	408,912	265,481	167,352	292,136	10,477,207

The table below summarises the maturity profile of the Company's financial liabilities as at 31st March 2025 based on contractual undiscounted (principal plus interest) payments.

As at 31st March	2025						
	Within 1 year	Between 1-2 years	Between 2-3 years	Between 3-4 years	Between 4-5 years	More than 5 years	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Interest-bearing loans and borrowings	481,505	371,364	314,313	163,673	-	-	1,330,855
Lease liabilities	57,667	62,266	64,566	69,717	72,293	370,198	696,707
Trade and other payables	2,768,847	-	-	-	-	-	2,768,847
Amounts due to related parties	316,665	-	-	-	-	-	316,665
Bank overdrafts	3,384,167	-	-	-	-	-	3,384,167
	7,008,851	433,630	378,879	233,390	72,293	370,198	8,497,241

9.3 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

Market prices comprise four types of risk:

- Interest rate risk
- Foreign currency risk
- Commodity price risk
- Equity price risk

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group and the Company do not have a direct impact from the Commodity price risk.

The sensitivity analysis in the following sections relate to the position as at 31 March 2026 and 2025.

The analysis excludes the impact of movements in market variables on the carrying values of other post-retirement obligations provisions and the non-financial assets and liabilities.

The following assumptions have been made in calculating the sensitivity analysis:

- The sensitivity of the Statement of Financial Position item mainly relates to derivatives and debt instruments.
- The sensitivity of the relevant Income Statement item is the effect of the assumed changes in respective market risks.
- This is based on the financial assets and financial liabilities held at 31 March 2026 and 2025.

9.3.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

Most lenders grant loans under floating interest rates. To manage this, the Group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed upon notional principal amount.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings).

For the year ended 31st March	Increase/(decrease) in basis points	GROUP Effect on profit before tax Rs. '000	COMPANY Effect on profit before tax Rs. '000
2026	+ 72 basis points	(12,845)	(4,706)
	- 72 basis points	12,845	4,706
2025	+ 225 basis points	(181,675)	(22,621)
	- 225 basis points	181,675	22,621

The assumed spread of basis points for the interest rate sensitivity analysis is based on the currently observable market environment changes to base floating interest rates.

9.3.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has exposure to foreign currency risk where it has cash flows in overseas operations and foreign currency transactions which are affected by foreign exchange movements. JKH Group treasury analyses the market condition of foreign exchange and provides market updates to the GEC, with the use of external consultants' advice. Based on the suggestions made by Group treasury the GEC takes decisions on whether to hold, sell, or make forward bookings of foreign currency as per decision rights given by the Board of Directors. For a comprehensive assessment, reference is made to Note 14 (other operating expenses / other operating income), which include the effects of foreign exchange gains and losses recognized in the Income Statement.

Exchange rate	Increase/ (decrease) in exchange rate	GROUP		COMPANY	
		Effect on profit before tax Rs. '000	Effect on equity Rs. '000	Effect on profit before tax Rs. '000	Effect on equity Rs. '000
2026					
USD	+/- 5.20%	5,947	5,947	4,405	4,405
Euro	+/- 12.58%	(18,939)	(18,939)	(8,657)	(8,657)
GBP	+/- 8.28%	2,142	2,142	3,136	3,136
2025					
USD	+/- 1.48%	(2,697)	(2,697)	(2,167)	(2,167)
Euro	+/- 1.72%	72	72	7	7
GBP	+/- 0.73%	148	148	124	124

Assumptions

The assumed movement, in the spread of the exchange rate sensitivity analysis, is based on the current observable market environment.

9.3.3 Equity price risk

The Group's unquoted equity instruments are susceptible to market price risk arising from uncertainties about future values of the investment instruments.

9.4 Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong financial position and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure, and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may issue new shares, have a rights issue or buy back of shares.

As at 31st March	GROUP		COMPANY	
	2026	2025	2026	2025
Debt / Equity	76.72%	66.78%	33.76%	26.71%

10 FAIR VALUE MEASUREMENT AND RELATED FAIR VALUE DISCLOSURES

Fair value measurement

Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are only, disclosed are reflected in this note. Beside this note, additional fair value related disclosures, including the valuation methods, significant estimates and assumptions are also provided in:

- Investment in unquoted equity shares (Note 25.3)
- Property, plant and equipment under revaluation model (Note 20)
- Investment properties (Note 22)
- Financial Instruments (including those carried at amortised cost) (Note 11)

Accounting Policy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non- financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1** - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- **Level 2** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- **Level 3** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable for assets and liabilities that are recognised in the Financial Statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period..

The Group determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted equity instruments, and for non-recurring measurement, such as assets held for sale in discontinued operations.

The services of external valuers are obtained for valuation of significant assets, such as lands and buildings and investment properties. Selection criteria for external valuers include market knowledge, reputation, independence and whether professional standards are maintained.

The Group decides, after discussions with the external valuers, which valuation techniques and inputs to use for individual assets.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Fair value hierarchy

10.1 Fair value measurement hierarchy - Group

The Group held the following financial and non-financial assets carried at fair value in the Statement of Financial Position:

Financial assets

As at 31 March	Notes	Level 1		Level 2		Level 3	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Unquoted equity investments	25.3	-	-	-	-	5,262,422	7,038,264
		-	-	-	-	5,262,422	7,038,264
Non-financial assets							
Land and buildings	20.1	-	-	-	-	2,867,907	2,745,248
Buildings on lease hold land	20.1	-	-	-	-	11,535,468	10,230,631
Investment property	22.1	-	-	-	-	711,772	691,126
		-	-	-	-	15,115,147	13,667,005

10.2 Fair value measurement hierarchy - Company

The Company held the following financial and non-financial assets carried at fair value in the Statement of Financial Position:

Financial assets

As at 31 March	Notes	Level 1		Level 2		Level 3	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Unquoted equity investments	25.3	-	-	-	-	5,262,422	7,038,264
		-	-	-	-	5,262,422	7,038,264
Non-financial assets							
Land and buildings	20.1	-	-	-	-	2,867,907	2,745,248
Buildings on lease hold land	20.1	-	-	-	-	70,836	67,591
Investment property	22.1	-	-	-	-	394,104	377,104
		-	-	-	-	3,332,847	3,189,943

In determining the fair value of non-financial assets of the Company and the Group, highest and best use of the property has been considered including the current condition of the properties, future usability and associated redevelopment requirements have been considered. Also, the valuers have made reference to market evidence of the transaction prices for similar properties, with appropriate adjustments for the size and location. The appraised fair values are rounded within the range of values.

10.3 Reconciliation of fair value measurements of level 3 financial instruments

The Group and the Company carries unquoted equity shares as equity instruments designated at fair value through OCI classified as Level 3 within the fair value hierarchy. A reconciliation of the beginning and closing balances including movements is summarised below;

As at 31 March	Group and Company Rs.'000
As at 1st April 2025	7,038,264
Remeasurement loss recognised in OCI	(1,775,842)
As at 31st March 2026	5,262,422

Fair valuation done as at 31st March 2026 for all unquoted equity shares are classified as Level 3 within the fair value hierarchy using fair valuation methodology. Fair value would not significantly vary if one or more of the inputs were changed.

11 FINANCIAL INSTRUMENTS AND RELATED POLICIES

Accounting Policy

Financial Instruments-Initial recognition and subsequent measurement

Financial Assets

Initial recognition and measurement

Financial assets within the scope of SLFRS 9 are classified as amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. This assessment is referred to as the SPPI test and is performed at an instrument level. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

The Group's financial assets include cash and short-term deposits, trade and other receivables, unquoted financial instruments.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories

- Financial assets at amortised cost
- Financial assets at fair value through OCI with recycling of cumulative gains and losses
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition
- Financial assets at fair value through profit or loss

Accounting Policy

Debt instruments

Financial assets at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows

  And

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the Effective Interest Rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost includes trade and other receivables, amounts due from related parties, short term investments, loans and receivables and cash in hand and at bank.

Financial assets at fair value through OCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling

  And

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the Income Statement.

The Group and the Company have no debt instruments that are carried at fair value through OCI as at the reporting date.

Equity Instruments

Financial assets designated at fair value through OCI

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the Income Statement when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments under this category.

The Group's and the Company's financial assets at fair value through OCI includes unquoted equity investment.

11 FINANCIAL INSTRUMENTS AND RELATED POLICIES (CONTD.)

Accounting Policy

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

The Group and the Company have no equity instruments that is carried at fair value through profit or loss as at the reporting date.

Financial assets - derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the Group's effective interest rate.

For trade receivables, the Group applies the simplified approach permitted by SLFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, lease liabilities and amount due to related parties.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by SLFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Income Statement.

Accounting Policy

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Income Statement.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Income Statement.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

FINANCIAL ASSETS AND LIABILITIES BY CATEGORIES

Financial assets and liabilities in the tables below are split into categories in accordance with SLFRS 9.

11.1 Financial assets by categories

	GROUP				COMPANY			
	Financial assets at amortised cost		Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition		Financial assets at amortised cost		Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition	
As at 31 March	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Financial instruments in non-current assets								
Non-current financial assets	545,584	484,094	5,262,422	7,038,264	268,209	256,752	5,262,422	7,038,264
Financial instruments in current assets								
Trade and other receivables	9,953,601	9,183,715	-	-	5,037,332	4,137,139	-	-
Amounts due from related parties	159,795	57,173	-	-	303,430	329,053	-	-
Cash in hand and at bank	865,869	1,713,754	-	-	213,294	479,847	-	-
Total	11,524,849	11,438,736	5,262,422	7,038,264	5,822,265	5,202,791	5,262,422	7,038,264

11.2 Financial liabilities by categories

As at 31 March	GROUP		COMPANY	
	Financial liabilities measured at amortised cost		Financial liabilities measured at amortised cost	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Financial instruments in non-current liabilities				
Interest-bearing loans and borrowings	3,863,170	3,150,023	385,414	624,316
Lease liabilities	12,788,224	11,383,724	406,854	430,095
Financial instruments in current liabilities				
Trade and other payables	24,105,907	20,833,983	3,198,028	2,768,847
Amounts due to related parties	1,404,887	993,970	440,016	316,665
Short-term borrowings	3,038,600	1,318,487	1,600,000	-
Interest-bearing loans and borrowings	1,831,341	2,506,050	487,519	381,050
Lease liabilities	903,770	715,835	23,242	16,878
Bank overdrafts	10,416,595	9,028,308	2,697,315	3,384,167
Total	58,352,494	49,930,380	9,238,388	7,922,018

The management assessed that cash and short-term deposits, trade and other receivables, trade payables, bank overdrafts, and other current financial liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under leases, as well as non-current financial liabilities are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Fair value of the unquoted ordinary shares has been estimated using a Discounted Cash Flow (DCF) model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in the management's estimate of fair value for these unquoted equity investments.

Accounting judgements, estimates and assumptions

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible.

Where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

12 REVENUE

Accounting Policy

12.1 Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Goods transferred at a point in time

Under SLFRS 15, revenue is recognised upon satisfaction of performance obligation. The revenue recognition occurs at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

12.2 Disaggregation of revenue

The Group presented disaggregated revenue with Group's reportable segments based on the timing of revenue recognition stated below. Further disaggregation of revenue according to geographical segments have been disclosed in the operating segment information section in Note 6.

For the year ended 31st March	GROUP		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Goods transferred at a point in time				
Manufacturing	38,022,374	33,516,560	28,062,513	24,508,115
Supermarkets	146,572,768	124,417,807	-	-
Total revenue from contracts with customers	184,595,142	157,934,367	28,062,513	24,508,115

Inter-segment revenue has been eliminated for the Group.

12.3 Reconciliation of revenue

Reconciliation between Revenue from contracts with customers and revenue information that is disclosed for each reportable segment has been provided in the operating segment information section in note 6.

12.4 Contract balances

Contract assets

Contract assets are the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer, with rights that are conditioned on some criteria other than the passage of time. Upon satisfaction of the conditions, the amounts recognised as contract assets are reclassified to trade receivables. As at 31 March 2026 the Company and the Group have no contract assets.

Contract liabilities

Contract liabilities are the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or the amount is due) from the customer. Contract liabilities include short-term advances received to render certain services as well as transaction price allocated to unexpired service warranties, and loyalty points not yet redeemed.

As at / for the year ended 31st March	GROUP			
	Contract balances		Performance obligations satisfied	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Contract liabilities				
Gift vouchers sold to customers	524,207	423,214	412,201	370,947
Loyalty points not yet redeemed	391,383	333,343	333,343	297,472

12 REVENUE (CONTD.)

Accounting Policy

12.5 Performance obligations and significant judgements

The Group's performance obligations and significant judgements are summarised below:

Manufacturing

Manufacturing segment which includes Ceylon Cold Stores PLC and The Colombo Ice Company (Pvt) Ltd focuses on the manufacturing of Beverages and Confectionery products. Revenue is recognised at the point in time when the control of the asset is transferred to the customer, which is generally upon delivery of the goods. Revenue is measured based on actual sales, and therefore the output method is used for revenue recognition.

Supermarkets

The Supermarkets sector which includes Jaykay Marketing Services (Pvt) Ltd and LogiPark International (Pvt) Ltd focuses on modern organised retailing through a chain of supermarkets.

Revenue is recognised upon satisfaction of performance obligation. The revenue recognition occurs at a point in time when control of the asset is transferred to the customer, which is generally upon delivery of the goods. The output method will provide a faithful depiction in recognising revenue.

Customers who purchase from outlets may enter the entity's customer loyalty programme and earn points that are redeemable against future purchases of the entity's products. The entity will allocate a portion of the transaction price to the loyalty programme based on relative stand-alone selling price.

13 DIVIDEND INCOME

Accounting Policy

Dividend income is recognised when the Group's right to receive the payment is established.

For the year ended 31st March	COMPANY	
	2026	2025
	Rs.'000	Rs.'000
Dividend income from investment in Subsidiaries	3,586,470	2,346,694

14 OTHER OPERATING INCOME AND OTHER OPERATING EXPENSES

Accounting Policy

Other income and expenses

Other income and expenses are recognised on an accrual basis.

Gains and losses

Net gains and losses of a revenue nature arising from the disposal of property, plant and equipment and other non- current assets, including investments, are accounted for in the Income Statement, after deducting from the proceeds on disposal, the carrying amount of such assets and the related selling expenses.

Gains and losses arising from activities incidental to the main revenue generating activities and those arising from a group of similar transactions, which are not material are aggregated, reported and presented on a net basis.

For the year ended 31st March	GROUP		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
14.1 Other Operating Income				
Exchange gain	26,778	9,079	17,212	-
Promotional income	3,512,125	2,585,741	-	-
Scrap sales	27,610	19,304	17,950	11,217
Rental income	190,111	137,786	765	705
Franchise income	68,329	59,511	19,723	13,538
Royalty income	37,072	28,709	496,684	446,387
Shared service fee	89,733	70,506	515,730	429,228
Gain on disposal of property, plant and equipment, Intangible and ROU assets	3,198	107,757	589	14,452
Utility collection commission and insurance claims	513,045	165,982	-	-
Write back of expired gift vouchers	138,758	125,804	-	-
Sundry income	118,829	106,609	93,118	105,491
	4,725,588	3,416,788	1,161,771	1,021,018
14.2 Other Operating Expenses				
Exchange loss	-	24,151	-	24,151
Write off of dealer deposits	-	7,589	-	7,589
Spoilage and wastage*	269,756	184,880	224,140	173,752
Bank charges	48,675	45,477	29,672	25,074
Cash collection charges	56,700	47,027	-	-
Loss on disposal of plant and equipment, Intangible and ROU assets	50,144	32,354	-	-
Other expenses	2,755,531	2,353,042	609,381	523,065
	3,180,806	2,694,520	863,193	753,631

*Spoilage and wastage of Rs. 2,572 million (2025 - Rs. 1,856 million) of supermarket business is charged to cost of sales.

15 FINANCE INCOME AND FINANCE COSTS

Accounting Policy

Finance income

Finance income comprises interest income on funds invested and interest income on financial guarantees that are recognized in the Income Statement.

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the Income Statement.

Finance costs

Finance costs comprise interest expense on borrowings that are recognised in the Income Statement.

Interest expense is recorded as it accrues using the Effective Interest Rate (EIR), which is the rate that discounts the estimated future cash payments through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial liability.

For the year ended 31st March	GROUP		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Finance Income and Finance Costs				
Finance income				
Interest income - staff loans	80,357	83,237	34,384	34,842
Interest income - short term investments	7,165	6,542	1,329	1,148
Total finance income	87,522	89,779	35,713	35,990
Finance costs				
Interest expense on lease liabilities	(1,456,594)	(1,348,617)	(40,788)	(14,025)
Interest expense on borrowings - long-term	(485,228)	(634,768)	(74,705)	(93,869)
Interest expense on borrowings - short-term	(667,119)	(441,528)	(250,078)	(140,541)
Total finance cost	(2,608,941)	(2,424,913)	(365,571)	(248,435)
Net finance cost	(2,521,419)	(2,335,134)	(329,858)	(212,445)

16 PROFIT BEFORE TAX

Accounting Policy

Expenditure recognition

Expenses are recognised in the Income Statement on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the Income Statement.

For the purpose of presentation of the Income Statement, the "function of expenses" method has been adopted, on the basis that it presents fairly the elements of the Company's and Group's performance.

Profit before tax is stated after charging all expenses including the following;

For the year ended 31st March	Notes	GROUP		COMPANY	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Remuneration to Executive Directors		410,866	280,348	199,959	133,706
Remuneration to Non-Executive Directors		14,847	13,577	13,545	12,468
Auditors' remuneration					
Audit		4,832	4,466	2,250	2,082
Non-audit		5,498	1,098	5,498	864
Costs of defined employee benefits					
Defined benefit plan cost	35.3	240,182	226,514	98,297	99,858
Defined contribution plan cost - EPF and ETF		912,235	674,817	253,362	222,277
Staff expenses		13,993,326	11,013,807	4,348,138	3,901,638
Excise Duty		1,344,038	1,126,227	1,344,038	1,126,227
Share based payment expenses	33	121,077	90,614	54,974	41,946
Depreciation of property, plant and equipment	20.1	3,190,051	2,739,927	895,966	727,692
Research and Development costs		113,301	100,907	62,692	53,775
Amortisation of intangible assets	23.1	813,844	680,939	163,109	156,812
Amortisation of Right of Use Assets	21.1.1	1,358,523	1,244,321	48,878	17,360
(Gain) / loss on sale of property, plant and equipment, Intangible assets & ROU assets	14	46,946	(75,403)	(589)	(14,452)
Donations including CSR related expenses		163,933	45,763	85,442	27,259

17 EARNINGS PER SHARE (EPS)

Accounting Policy

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the Parent (after adjusting for outstanding share options) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

For the year ended 31st March	Notes		GROUP 2026	GROUP 2025
17.1 Basic earnings per share				
Profit for the year		Rs. '000	7,885,863	5,957,666
Dividend on preference shares		Rs. '000	(14)	(14)
Profit attributable to equity holders of the parent		Rs. '000	7,885,849	5,957,652
Weighted average number of ordinary shares	17.3	No. '000	950,400	950,400
Basic earnings per share		Rs.	8.30	6.27
17.2 Diluted earnings per share				
Profit attributable to equity holders of the parent	17.1	Rs. '000	7,885,849	5,957,652
Adjusted weighted average number of ordinary shares	17.3	No. '000	950,400	950,400
Diluted earnings per share		Rs.	8.30	6.27
17.3 Amount used as denominator				
Ordinary shares at the beginning of the year		No. '000	950,400	950,400
Adjusted weighted average number of ordinary shares		No. '000	950,400	950,400

18 DIVIDEND PER SHARE (DPS)

Equity dividend on ordinary shares

For the year ended 31st March	GROUP 2026 Rs.	GROUP 2026 Rs.'000	GROUP 2025 Rs.	GROUP 2025 Rs.'000
Declared and paid during the year				
Final dividend*	1.99	1,896,048	0.89	845,842
Interim dividend	3.68	3,505,075	3.41	3,236,112
Total dividend	5.67	5,401,123	4.30	4,081,954

**2024/25 final dividend was paid in 2025/26*

19 TAXES

Accounting Policy

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and for items recognised in other comprehensive income shall be recognised in Other Comprehensive Income and not in the Income Statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Management has used its judgment on the application of tax laws including transfer pricing regulations involving identification of Associated undertakings, estimation of the respective arm's length prices and selection of appropriate pricing mechanism.

The Group has confirmed with the arm's length principles relating to Transfer Pricing, as prescribed in the Inland Revenue Act.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arising from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in Subsidiaries and Associates where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and unused tax credits and tax losses carried forward, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the unused tax credits and tax losses carried forward can be utilised except;

- Where the deferred income tax assets relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deducible temporary differences associated with investments in Subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the year when the asset is realised or liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted as at the reporting date.

Deferred tax relating to items recognised outside the Income Statement is recognised outside the Income Statement. Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity and the same taxation authority.

19 TAXES (CONTD.)

Accounting Policy

Sales tax

Revenue, expenses and assets are recognised net of the amount of sales tax except;

- Where the sales tax incurred on the purchase of an asset or service is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Where receivables and payables are stated with the amount of sales tax included. The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

For the year ended 31st March	Notes	GROUP		COMPANY	
		2026	2025	2026	2025
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
19.1 Tax Expense					
Current income tax					
Tax charge for the year	19.5	2,828,795	1,995,997	1,020,157	852,324
15% Advanced Income Tax payment on intercompany dividends		632,907	414,123	-	-
Over provision of current tax of previous years	19.5	(364)	(13,338)	(4,230)	(2,143)
Deferred tax					
Relating to origination and reversal of temporary differences	19.2	(270,046)	647,599	1,640	(30,886)
		3,191,292	3,044,381	1,017,567	819,295

For the year ended 31st March	Notes	GROUP		COMPANY	
		2026	2025	2026	2025
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
19.2 Deferred Tax Expense					
Income statement					
Deferred tax expense arising from;					
Accelerated depreciation for tax purposes		244,610	(25,358)	11,064	(23,350)
Employee benefit liabilities		(43,754)	(37,619)	(13,835)	(13,298)
Revaluation of investment property to fair value		6,194	7,015	5,100	5,625
Benefit / (Charge) arising from tax losses		(445,756)	692,488	-	-
Exchange gain/(loss)		(4,776)	710	(689)	137
Others		(26,564)	10,363	-	-
Deferred tax charged/(credited) directly to Income Statement		(270,046)	647,599	1,640	(30,886)
Deferred tax charged/(credited) directly to Income Statement					
Deferred tax liabilities	19.3	(270,046)	647,599	1,640	(30,886)
		(270,046)	647,599	1,640	(30,886)
Other comprehensive income					
Deferred tax expense arising from;					
Actuarial gain/(loss) on employee benefit liabilities		(53,478)	43,767	(28,538)	28,159
Revaluation of buildings		134,211	123,424	38,409	14,340
Revaluation of land		19,563	20,563	19,563	20,563
Gain/(loss) on financial assets valued at fair value through OCI		(6,500)	270,095	(6,500)	270,095
Deferred tax charged directly to Other Comprehensive Income		93,796	457,849	22,934	333,157
Total deferred tax charged		(176,250)	1,105,448	24,574	302,271

For the year ended 31st March	Notes	GROUP		COMPANY	
		2026	2025	2026	2025
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
19.3 Deferred Tax Liabilities					
At the beginning of the year		3,932,054	2,826,606	1,453,601	1,151,330
Charge/(reversal)	19.2	(270,046)	647,599	1,640	(30,886)
Tax on Other Comprehensive Income	19.2	93,796	457,849	22,934	333,157
At the end of the year		3,755,805	3,932,054	1,478,175	1,453,601

19 TAXES (CONTD.)

For the year ended 31st March	Notes	GROUP 2026 Rs.'000	GROUP 2025 Rs.'000	COMPANY 2026 Rs.'000	COMPANY 2025 Rs.'000
19.3.1 Deferred Tax Liability					
The closing deferred tax liability balances relate to the following;					
Accelerated depreciation for tax purposes		3,404,879	3,160,269	951,494	940,430
Employee benefit liabilities		(406,920)	(309,688)	(200,067)	(157,694)
Losses available for offset against future taxable income		(455,634)	(9,878)	-	-
Tax effect on capital gain from investment property		52,684	46,490	49,651	44,551
Tax effect on capital gain from land		432,916	413,353	432,916	413,353
Tax effect on revaluation of buildings		785,247	651,036	244,329	205,920
Tax effect on gain on financial assets valued at fair value through OCI		-	6,500	-	6,500
Others		(57,367)	(26,028)	(148)	541
At the end of the year		3,755,805	3,932,054	1,478,175	1,453,601

For the year ended 31st March	GROUP 2026 Rs.'000	GROUP 2025 Rs.'000	COMPANY 2026 Rs.'000	COMPANY 2025 Rs.'000
19.4 Income Tax Liabilities				
At the beginning of the year	698,866	256,327	255,233	197,886
Provision for the year	3,461,702	2,410,120	1,020,157	852,324
Over provision of current tax of previous years	(364)	(13,338)	(4,230)	(2,143)
Tax paid	(2,904,155)	(1,892,886)	(776,632)	(738,661)
Tax credits	(67,389)	(61,357)	(59,878)	(54,173)
At the end of the year	1,188,660	698,866	434,650	255,233

For the year ended 31st March	GROUP 2026 Rs.'000	GROUP 2025 Rs.'000	COMPANY 2026 Rs.'000	COMPANY 2025 Rs.'000
19.4.1 Income Tax Recoverable				
At the beginning of the year	124,928	123,304	-	-
Tax credits	11	1,624	-	-
At the end of the year	124,939	124,928	-	-

19.4 Income Tax Liabilities (Contd.)

Accounting judgements, estimates and assumptions

The Group is subject to income tax and other taxes including VAT. Significant judgment was required to determine the total provision for current, deferred and other taxes due to uncertainties that exist with respect to the interpretation of the applicability of tax laws, at the time of the preparation of these Financial Statements.

Uncertainties also exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. Where the final tax outcome of such matters is different from the amounts that were initially recorded, such differences will impact the income and deferred tax amounts in the period in which the determination is made.

The Group has contingent liabilities amounting to Rs. 36.5 million (2025 – Rs. 36.5 million) in relation to income tax assessments relating to years of assessments 2011/12, 2012/13 and 2013/14. These have been arrived at after discussing with independent and legal tax experts and based on information available. All assumptions are revisited at the reporting date. Further details on contingent liabilities are disclosed in note 41 in the Financial Statements.

For the year ended 31st March	Notes	GROUP		COMPANY	
		2026	2025	2026	2025
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
19.5 Reconciliation between current tax charge and the accounting profit					
Profit before tax*		11,077,155	9,002,047	3,358,850	2,797,279
Dividend income from Group companies		-	-	3,586,470	2,346,694
Consolidation adjustments		3,593,527	2,358,796	-	-
Profit after adjustment		14,670,682	11,360,843	6,945,320	5,143,973
Exempt profits		(40,718)	(71,316)	(39,528)	(70,596)
Income not liable for income tax		(3,586,470)	(2,346,694)	(3,586,470)	(2,346,694)
Adjusted accounting profit chargeable to income taxes		11,043,494	8,942,833	3,319,322	2,726,683
Disallowable expenses		7,899,382	6,865,508	1,799,923	1,616,957
Allowable expenses		(10,328,019)	(7,024,717)	(1,650,187)	(1,502,559)
Qualifying payment deductions		(100,673)	-	(50,000)	-
Utilisation of tax losses	19.7	(132,231)	(2,130,299)	-	-
Current year tax losses not utilized	19.7	1,065,896	-	-	-
Taxable income		9,447,849	6,653,325	3,419,058	2,841,081
Income tax charged at					
Standard rate - 30%		2,823,234	1,995,997	1,014,596	852,324
Concessionary rate - 15%		5,561	-	5,561	-
Tax charge for the period		2,828,795	1,995,997	1,020,157	852,324
Over provision for previous years		(364)	(13,338)	(4,230)	(2,143)
15% Advanced Income Tax on intercompany dividends		632,907	414,123	-	-
Current tax charge		3,461,338	2,396,782	1,015,927	850,181

**Profit before tax excluding dividend income from Group companies*

19 TAXES (CONTD.)

For the year ended 31st March	GROUP		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
19.6 Reconciliation between tax expense and the product of accounting profit				
Adjusted accounting profit chargeable to income taxes	11,043,494	8,942,833	3,319,322	2,726,683
Tax effect on chargeable profits	4,015,215	3,022,153	990,236	818,005
Tax effect on non-deductible expenses	234,874	211,385	176,154	176,576
Gratuity transfers	(41)	(1,691)	(1,049)	(496)
Tax effect on deductions claimed	(1,045,130)	(174,128)	(143,544)	(172,647)
Over provision of current tax of previous years	(364)	(13,338)	(4,230)	(2,143)
Over provision of deferred tax of previous years	(13,262)	-	-	-
Tax expense	3,191,292	3,044,381	1,017,567	819,295

For the year ended 31st March	GROUP		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
19.7 Tax losses carried forward				
Tax losses brought forward	3,001,259	5,135,911	-	-
Adjustments on finalisation of liability	(1,402)	(4,353)	-	-
Utilisation of tax losses	(132,231)	(2,130,299)	-	-
Current year tax losses not utilized	1,065,896	-	-	-
At the end of the year	3,933,522	3,001,259	-	-

Deferred tax asset of LogiPark International (Pvt) Ltd has not been recognised for the unused tax losses amounting to Rs. 2,851 million (2025 - Rs. 2,983 million) in the Statement of Financial Position as at 31st March 2026. These tax losses are to be expired in the years of assessment commencing from 2024/25 to 2031/32.

19.8 Applicable rates of income tax and deferred tax

Income tax and Deferred tax have been provided as per the rates legislated per the Inland Revenue (Amendment) Act No 45 of 2022.

20 PROPERTY, PLANT AND EQUIPMENT

Accounting Policy

Basis of recognition

Property, plant and equipment are recognised if it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be reliably measured.

Basis of measurement

Property, plant and equipment except for land and buildings are stated at cost less accumulated depreciation and any accumulated impairment loss. Such cost includes the cost of replacing component parts of the plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group derecognises the replaced part, and recognises the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Income Statement as incurred.

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment charged subsequent to the date of the revaluation.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity in the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the Income Statement, in which case the increase is recognised in the Income Statement. A revaluation deficit is recognised in the Income Statement, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve related to the particular asset being sold is transferred to retained earnings. Where land and buildings are subsequently revalued, the entire class of such assets is revalued at fair value on the date of revaluation. The Group has adopted a policy of revaluing land and building at least once every 5 years.

The subsidiaries Jaykay Marketing Services (Pvt) Limited and LogiPark International (Pvt) Limited have adopted a policy of revaluing its buildings on leasehold land by a professional valuer after the asset completes 3 years of their useful life as the management believes that within the first 3 years, the initial recognition amount represents the assets' fair value.

Capital work-in-progress is stated at cost including borrowing cost capitalised where applicable.

Derecognition

An item of property, plant and equipment is derecognised upon replacement, disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset is included in the Income Statement in the year the asset is derecognised.

Depreciation

Depreciation is calculated by using a straight-line method on the cost or valuation of all property, plant and equipment, other than freehold land, in order to write-off such amounts over the estimated useful economic life of such assets.

20 PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Accounting Policy

The estimated useful life of assets is as follows:

Assets	Years
Buildings	20 - 50
Building on leasehold land	25 or over the period of lease
Plant and machinery	2 - 30
Equipment, furniture and fittings	2 - 15
Motor vehicles	3 - 15
Other assets	3 - 20
Returnable containers	4 - 10

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each financial year end.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs the Group incurs in connection with the borrowing of funds.

Impairment of property plant and equipment

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognised in the Income Statement, except that, impairment losses in respect of property, plant and equipment previously revalued are recognised against the revaluation reserve through the Statement of Other Comprehensive Income to the extent that it reverses a previous revaluation surplus.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Income Statement unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

20 PROPERTY, PLANT AND EQUIPMENT (CONTD.)

As at 31 March	Land and buildings	Buildings on leasehold land	Plant and machinery	Equipment, furniture and fittings	Motor vehicles	Returnable containers	Other assets	Capital work in progress	Total 2026	Total 2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
20.1										
Group										
Cost or valuation										
At the beginning of the year	2,866,429	14,771,296	13,709,100	6,264,154	439,226	1,041,654	5,556,835	389,080	45,037,774	41,459,429
Additions	30,710	2,025,579	3,737,484	1,198,601	68,700	40,812	1,088,330	719,464	8,909,680	4,455,486
Disposal	-	(15,544)	(156,067)	(421,138)	-	(1,790)	(210,660)	(6,291)	(811,490)	(607,134)
Revaluations	188,076	255,174	-	-	-	-	-	-	443,250	549,286
Transfers*	(114,790)	248,245	147,378	3,522	-	-	42,031	(338,885)	(12,499)	19
Transfers (from revaluation adjustment)	(68,628)	(835,724)	-	-	-	-	-	-	(904,352)	(819,312)
At the end of the year	2,901,797	16,449,026	17,437,895	7,045,139	507,926	1,080,676	6,476,536	763,368	52,662,363	45,037,774
Accumulated depreciation and impairment										
At the beginning of the year	(19,559)	(878,797)	(6,631,196)	(3,217,659)	(386,216)	(815,547)	(3,127,499)	-	(15,076,473)	(13,719,438)
Charge for the year	(82,589)	(826,822)	(999,794)	(659,156)	(13,521)	(73,469)	(534,700)	-	(3,190,051)	(2,739,927)
Disposal	-	10,775	138,426	393,911	-	1,790	206,473	-	751,375	563,580
Transfers*	8,448	155	(3,335)	1,323	-	-	(5,263)	-	1,328	-
Transfers (from revaluation adjustment)	68,628	835,724	-	-	-	-	-	-	904,352	819,312
At the end of the year	(25,072)	(858,965)	(7,495,899)	(3,481,581)	(399,737)	(887,226)	(3,460,989)	-	(16,609,469)	(15,076,473)
Carrying value:										
As at 31 March 2026										
At valuation	2,867,907	11,535,468	-	-	-	-	-	-	14,403,375	
At cost	8,818	4,054,593	9,941,996	3,563,558	108,189	193,450	3,015,547	763,368	21,649,519	
	2,876,725	15,590,061	9,941,996	3,563,558	108,189	193,450	3,015,547	763,368	36,052,894	
As at 31 March 2025										
At valuation	2,745,248	10,230,617	-	-	-	-	-	-		12,975,865
At Cost	101,622	3,661,882	7,077,904	3,046,495	53,010	226,107	2,429,336	389,080		16,985,436
	2,846,870	13,892,499	7,077,904	3,046,495	53,010	226,107	2,429,336	389,080		29,961,301

*Transfers include, transfer from capital work in progress, intangible assets and between classes of assets

20 PROPERTY, PLANT AND EQUIPMENT (CONTD.)

As at 31 March	Land and buildings Rs.'000	Buildings on leasehold land Rs.'000	Plant and machinery Rs.'000	Equipment, furniture and fittings Rs.'000	Motor vehicles Rs.'000	Returnable containers Rs.'000	Other assets Rs.'000	Capital work in progress Rs.'000	Total 2026 Rs.'000	Total 2025 Rs.'000
20.1 (Contd.)										
Company										
Cost or valuation										
At the beginning of the year	2,866,429	68,200	4,417,292	481,639	207,472	1,027,810	3,860,742	3,477	12,933,061	11,789,655
Additions	30,710	-	669,231	50,425	68,700	40,812	861,634	52,370	1,773,882	1,521,625
Disposal	-	-	-	(25,157)		(1,790)	(138,188)		(165,135)	(420,912)
Revaluations	188,076	5,161	-	-	-	-	-	-	193,237	116,343
Transfers*	(114,790)	600	81,598	-	-	-	32,592	-	-	-
Transfers (from revaluation adjustment)	(68,628)	(2,461)	-	-	-	-	-	-	(71,089)	(73,650)
At the end of the year	2,901,797	71,500	5,168,121	506,907	276,172	1,066,832	4,616,780	55,847	14,663,956	12,933,061
Accumulated depreciation and impairment										
At the beginning of the year	(19,559)	(609)	(2,966,569)	(150,939)	(156,924)	(815,546)	(2,253,547)	-	(6,363,693)	(6,121,628)
Charge for the year	(82,589)	(2,491)	(323,772)	(58,371)	(13,521)	(73,469)	(341,753)	-	(895,966)	(727,692)
Disposal	-	-	-	25,134	-	1,790	138,188	-	165,112	411,977
Transfers*	8,448	(25)	(3,229)	-	-	-	(5,194)	-	-	-
Transfers (from revaluation adjustment)	68,628	2,461	-	-	-	-	-	-	71,089	73,650
At the end of the year	(25,072)	(664)	(3,293,570)	(184,176)	(170,445)	(887,225)	(2,462,306)	-	(7,023,458)	(6,363,693)
Carrying value:										
As at 31 March 2026										
At valuation	2,867,907	70,836	-	-	-	-	-	-	2,938,743	
At Cost	8,818	-	1,874,551	322,731	105,727	179,607	2,154,474	55,847	4,701,755	
	2,876,725	70,836	1,874,551	322,731	105,727	179,607	2,154,474	55,847	7,640,498	
Carrying value:										
As at 31 March 2025										
At valuation	2,745,248	67,591	-	-	-	-	-	-		2,812,839
At Cost	101,622	-	1,450,723	330,700	50,548	212,264	1,607,195	3,477		3,756,529
	2,846,870	67,591	1,450,723	330,700	50,548	212,264	1,607,195	3,477		6,569,368

**Transfers include, transfer from capital work in progress and between classes of assets*

20.2 Revaluation of land and buildings

Accounting judgements, estimates and assumptions

The Group uses the revaluation model of measurement of land and buildings. The Group engaged Upali Silva & Lochana Silva Chartered Valuers (Pvt) Ltd, G H A P K Fernando and Messrs. P B Kalugalagedara & Associates, independent expert valuers, to determine the fair value of its land and buildings and they have carried out the valuation in accordance with Sri Lanka Accounting Standards and International Valuation Standards published by the International Valuation Standards Committee (IVSC). Fair value is determined by reference to market-based evidence. Valuations are based on open market prices, adjusted for any difference in the nature, location or condition of the specific property. These valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The date of the most recent revaluation was carried out on 31st December 2025.

The valuations as of 31st December 2025 contained a higher estimation uncertainty as there were fewer market transactions which are ordinarily a strong source of evidence regarding fair value. The value reflected represents the best estimate based on the market conditions that prevailed, which in valuers' considered opinion, meets the requirements in SLFRS-13 Fair Value Measurement.

The changes in fair value are recognised in Other Comprehensive Income and in the Statement of Changes in Equity.

Details of the Group's land and buildings stated at valuation are indicated below.

Property	Name of Chartered Valuation surveyor	Method of valuation	Sensitivity of unobservable inputs				Correlation to fair value
			Estimated price per perch		Estimated price per square foot		
			2026	2025	2026	2025	
Land and buildings							
Ceylon Cold Stores PLC	Lochana I. Silva, G.H.A.P.K Fernando	Open market value method	Rs. 100,000 - Rs. 340,000	Rs. 100,000 - Rs. 325,000	-	-	Positive
Ceylon Cold Stores PLC	Lochana I. Silva, G.H.A.P.K. Fernando	Open market value method	-	-	Rs. 1,000 - Rs. 10,800	Rs. 950 - Rs. 5,500	Positive
Buildings on leasehold land							
Ceylon Cold Stores PLC	Lochana I. Silva	Open market value method	-	-	Rs. 600 - Rs. 6,150	Rs. 525 Rs. 5,775	Positive
Jaykay Marketing Services (Pvt) Ltd	P.B. Kalugalagedara	Investment method	-	-	Rs. 25 - Rs. 300	Rs. 30 - Rs. 300	Positive
The Colombo Ice Company (Pvt) Ltd	Lochana I. Silva	Open market value method	-	-	Rs. 2,800 - Rs.9,900	Rs. 2,650 - Rs. 9,450	Positive
LogiPark International (Pvt) Ltd	P.B. Kalugalagedara	Investment method	-	-	Rs.10,000 - Rs.16,000	Rs.10,000 - Rs.16,000	Positive

Summary description of valuation methodologies;

Open market value method (OMV)

Open market value method uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities or a group of assets and liabilities, such as a business.

Investment method (IM)

The investment method is used to value properties which are let to produce an income for the investor. Conventionally, investment value is a product of rent and yield. Each of these elements is derived using comparison techniques.

20.3 The carrying amount of revalued buildings of the Group if they were carried at cost less depreciation and impairment, would be as follows;

As at 31st March	GROUP		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Cost	15,120,166	13,079,421	1,085,352	1,054,642
Accumulated depreciation and impairment	(3,739,139)	(2,838,625)	(122,843)	(120,342)
Carrying value	11,381,027	10,240,796	962,509	934,300

20.4 Property, plant and equipment that have been fully depreciated and continue to be in use by the Group are as follows;

As at 31st March	GROUP		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Cost of fully depreciated assets	5,636,605	4,959,740	3,042,386	2,676,359

20.5 Other assets of the Group mainly comprise of freezers, bottle coolers and crates. The net book value of those assets are as follows.

As at 31st March	2026			2025		
	Freezers Rs.'000	Coolers Rs.'000	Crates Rs.'000	Freezers Rs.'000	Coolers Rs.'000	Crates Rs.'000
Cost	2,027,523	1,155,289	645,479	1,611,553	952,274	648,619
Accumulated depreciation and impairment	(808,054)	(564,129)	(618,316)	(744,758)	(520,643)	(605,915)
Carrying value	1,219,469	591,160	27,163	866,795	431,631	42,704

20.6 The Group's property, plant and equipment with a carrying value of Rs. 3,934 million (2025 - Rs. 3,819 million) have been pledged as security for loans obtained. Details of which are disclosed in note 34.3.

20.7 The Group assessed for impairment indications of assets at the end of reporting period and there were no indications observed. No idle assets were observed that require disclosure in the Financial Statements.

21 RIGHT OF USE ASSETS AND LEASE LIABILITIES

Accounting Policy

Right of use assets

The Group recognises right of use assets when the underlying asset is available for use. Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right of use assets are depreciated on a straight-line basis over the shorter of its estimated useful life or the lease term. Right of use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Group uses 6 months AWPLR based plus margin when calculating the incremental borrowing rate which reflects the average rate of borrowings in the Group. Quarterly calculated incremental borrowing rates were used to discount new leases obtained during the year.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

21.1 Amounts recognised in the Statement of Financial Position and Income Statement

Set out below are the carrying amounts of the Group's right of use assets and the movements for the year ended 31 March.

21.1.1 Right-of-Use Assets

As at 31st March	GROUP		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Right of Use Assets - Lease hold properties				
Cost				
At the beginning of the year	15,554,098	14,554,361	505,055	48,070
Additions	2,407,373	1,982,134	-	456,985
Derecognition	(584,709)	(982,397)	-	-
At the end of the year	17,376,762	15,554,098	505,055	505,055
Accumulated amortisation and impairment				
At the beginning of the year	(5,014,026)	(4,537,992)	(21,232)	(3,872)
Amortisation	(1,358,523)	(1,244,321)	(48,878)	(17,360)
Derecognition	581,814	768,287	-	-
At the end of the year	(5,790,735)	(5,014,026)	(70,110)	(21,232)
Carrying value	11,586,027	10,540,072	434,945	483,823

Set out below are the carrying amounts of lease liabilities and the movements for the period ended 31 March.

21.1.2 Lease Liabilities

As at 31st March	GROUP		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
At the beginning of the year	12,099,559	11,380,669	446,973	2,415
Additions	2,407,373	1,975,021	-	449,872
Transfers	(68,963)	(88,964)	-	-
Finance charge on lease liabilities	1,456,594	1,348,617	40,788	14,025
Disposals	(5,503)	(307,415)	-	-
Payments	(2,208,441)	(2,206,100)	(57,665)	(19,339)
Exchange (gain)/loss	11,375	(2,269)	-	-
At the end of the year	13,691,994	12,099,559	430,096	446,973
Current	903,770	715,835	23,242	16,878
Non-current	12,788,224	11,383,724	406,854	430,095
Total lease liability at the end of the year	13,691,994	12,099,559	430,096	446,973

The maturity analysis of lease liabilities are disclosed in Note 9.2.2

21.1.3 The following are the amounts recognised in profit or loss:

For the year ended 31st March	Notes	GROUP		COMPANY	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Amortisation expense of right-of-use assets	21.1.1	1,358,523	1,244,321	48,878	17,360
Finance charge expense on lease liabilities	21.1.2	1,456,594	1,348,617	40,788	14,025
Exchange (gain)/loss	21.1.2	11,375	(2,269)	-	-
Total amount recognised in profit or loss		2,826,492	2,590,669	89,666	31,385

Expenses relating to short-term leases and leases of low value assets amounting to Rs. 131 million and Nil (2025 - Rs.135 million and 1 million) have been recognized in the Income Statement by the Group and the Company, respectively.

The Group had total cash outflows for leases of 2,208 million in 2026 (2025 - Rs. 2,026 million).

22 INVESTMENT PROPERTY

Accounting Policy

Basis of recognition

Investment properties are measured initially at cost, including transaction costs.

Basis of measurement

The carrying value of an investment property includes the cost of replacing part of an existing investment property, at the time that cost is incurred if the recognition criteria are met, and excludes the costs of day-to-day servicing of the investment property. Subsequent to initial recognition, the investment properties are stated at fair values, which reflect market conditions at the reporting date.

Gains or losses arising from changes in fair value are included in the Income Statement in the year in which they arise. Fair values are evaluated at least every 3 years by an accredited external independent valuer. The most recent revaluation was carried out on 31st December 2025.

Derecognition

Investment properties are derecognised when disposed, or permanently withdrawn from use because no future economic benefits are expected. Any gains or losses on retirement or disposal are recognised in the Income Statement in the year of retirement or disposal.

Transfer of Investment properties

Transfers are made to or from investment properties only when there is a change in use for a transfer from investment property to owner occupied property or inventory (WIP), the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property or inventory (WIP), the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use. Where Group companies occupy a significant portion of the investment property of a subsidiary, such investment properties are treated as property, plant and equipment in the Consolidated Financial Statements, and accounted for using accounting policy for property, plant and equipment.

As at 31st March	GROUP		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
22.1 Carrying value				
At the beginning of the year	691,126	667,741	377,104	358,353
Net gain from fair value remeasurement	20,646	23,385	17,000	18,751
At the end of the year	711,772	691,126	394,104	377,104
Freehold property	711,772	691,126	394,104	377,104
Carrying value	711,772	691,126	394,104	377,104

22.2 Valuation details of investment property

Accounting judgements, estimates and assumptions

Fair value of the Investment Property is ascertained by annual independent valuations carried out by Upali Silva & Lochana Silva - Chartered Valuers (Pvt) Ltd and Messrs. P B Kalugalagedara & Associates as at 31st December 2025, that has recent experience in valuing properties of similar location and category. Investment Property was appraised in accordance with SLFRS 13 and 8th edition of International Valuation Standards published by the International Valuation Standards Committee (IVSC), by the independent valuer. The Market value has been used as the fair value.

In determining the fair value, the current condition of the properties, future usability and associated redevelopment requirements have been considered. Also, valuer has made reference to market evidence of transaction prices for similar properties, with appropriate adjustments for size and location. The appraised fair values are approximated within appropriate range of values.

The changes in fair value are recognised in the Income Statement. The determined fair values of investment properties were based on the open market value method and investment method.

Property	Name of Chartered Valuation surveyor	Method of valuation	Sensitivity of unobservable inputs				Correlation to fair value
			Estimated price per perch		Estimated price per square foot		
			2026	2025	2026	2025	
Ceylon Cold Stores PLC							
Land	Lochana I. Silva	Open market value method	Rs.2,100,000	Rs.2,000,000	-	-	Positive
Building	Lochana I. Silva	Open market value method	-	-	Rs.2,100	Rs.2,100	Positive
Jaykay Marketing Services (Pvt) Ltd							
Leasehold property	P.B.Kalugalagedara	Investment method	Rs 275,000- Rs 435,000	Rs 273,000- Rs 410,000	-	-	Positive

22.3 Income and expenses arising from investment property

Investment property generated rental income and direct operating expenses arising from investment property are as follows;

For the year ended 31st March	COMPANY	
	2026 Rs.'000	2025 Rs.'000
Ceylon Cold Stores PLC		
Rent Income	765	705
Direct operating expenses generating rental income	289	269

Jaykay Marketing Services (Pvt) Ltd

No rental income or direct operating expenses generated by the Investment Property during the year.

23 INTANGIBLE ASSETS

Accounting Policy

Basis of recognition

An intangible asset is recognised if it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be reliably measured.

Basis of measurement

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Internally generated intangible assets, excluding capitalised development costs, are not capitalised, and expenditure is charged to Income Statement in the year in which the expenditure is incurred.

Useful economic lives, amortisation and impairment

The useful lives of intangible assets are assessed as either finite or indefinite lives. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end and such changes are treated as accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Income Statement.

Intangible assets with indefinite useful lives are not amortised but tested for impairment annually, or more frequently when an indication of impairment exists either individually or at the cash- generating unit level. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Purchased software

Purchased software is recognised as intangible assets and is amortised on a straight-line basis over its useful life.

Software license

Software license costs are recognised as an intangible asset and amortised over the period of expected future usage of related ERP systems.

Developed Software

Expenditure on internally developed software is recognised as an intangible asset when the company is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits, and can reliably measure the costs to complete the development. The capitalised costs of internally developed software include all costs directly attributable to developing the software and capitalised borrowing costs, and are amortised over its useful life. Internally developed software is stated at capitalised cost less accumulated amortisation and any accumulated impairment losses.

Subsequent Expenditure

Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

A summary of the policies applied to the Group's intangible assets is as follows;

Intangible assets	Useful life	Acquired/ Internally generated	Impairment testing/ amortisation
Purchased Software	3 - 10	Acquired	Testing for impairment is carried out when indicators of impairment arise. The amortisation method is reviewed at each financial year end
Software Licenses	3 - 6	Acquired	
Developed Software	10	Internally generated	

Derecognition

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Income Statement when the asset is derecognised.

23.1 As at 31st March

As at 31 March	Software Licenses Rs.'000	Software Purchased Rs.'000	Software Developed Rs.'000	Goodwill** Rs.'000	2026 Rs.'000	2025 Rs.'000
Group						
Cost						
At the beginning of the year	163,945	1,903,108	4,543,471	350,713	6,961,237	6,169,932
Additions	20	570,408	935,559	-	1,505,987	793,749
Transfers*	-	6,974	5,525	-	12,499	(142)
Disposals / de-recognition	(19,631)	(791)	-	-	(20,422)	(2,302)
At the end of the year	144,334	2,479,699	5,484,555	350,713	8,459,301	6,961,237
Accumulated amortisation						
At the beginning of the year	(36,383)	(1,208,094)	(1,113,570)	-	(2,358,047)	(1,679,533)
Amortisation	(9,271)	(309,741)	(494,832)	-	(813,844)	(680,939)
Transfers*	-	(1,328)	-	-	(1,328)	123
Disposals / de-recognition	5,409	791	-	-	6,200	2,302
At the end of the year	(40,245)	(1,518,372)	(1,608,402)	-	(3,167,019)	(2,358,047)
Carrying value						
As at 31 March 2026	104,089	961,327	3,876,153	350,713	5,292,282	-
As at 31 March 2025	127,562	695,014	3,429,901	350,713	-	4,603,190

As at 31 March	Software Licenses Rs.'000	Software Purchased Rs.'000	Software Developed Rs.'000	Goodwill** Rs.'000	2026 Rs.'000	2025 Rs.'000
Company						
Cost						
At the beginning of the year	4,810	44,963	1,559,334	235,707	1,844,814	1,777,460
Additions	-	1,122	109,363	-	110,485	67,354
Disposals / De-recognition	(4,104)	-	-	-	(4,104)	-
At the end of the year	706	46,085	1,668,697	235,707	1,951,195	1,844,814
Accumulated amortisation						
At the beginning of the year	(4,245)	(42,010)	(345,911)	-	(392,166)	(235,354)
Amortisation	(141)	(2,283)	(160,685)	-	(163,109)	(156,812)
Disposals / De-recognition	4,104	-	-	-	4,104	-
At the end of the year	(282)	(44,293)	(506,596)	-	(551,171)	(392,166)
Carrying value						
As at 31 March 2026	424	1,792	1,162,101	235,707	1,400,024	-
As at 31 March 2025	565	2,953	1,213,423	235,707	-	1,452,648

**Includes, transfer between class of assets and reclassification*

***Goodwill - The recoverable amount of the cash generating unit relevant to the goodwill is more than the carrying amount at the end of the reporting period. Therefore, no impairment loss is recognised in respect of goodwill as at 31st March 2026.*

Research and development charges of Rs. 109 million (2025 - Rs. 67 million) has been capitalized during the period.

23.2 Goodwill

Accounting judgements estimates and assumptions

Goodwill acquired through business combination is due to the purchase of Jaykay Marketing Services (Pvt) Ltd and Bestie Beverages (Pvt) Ltd and goodwill is tested for impairment as explained below.

Impairment of goodwill

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use (VIU). The fair value less costs to sell calculation is based on available data from an active market, in an arm's length transaction, of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. A zero terminal growth rate has been incorporated into the value-in-use calculations for cash flows extending beyond five years. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different cash generating units, are as follows;

Cash Generating Unit (CGU)

The recoverable amount of the CGU has been determined based on the value in use (VIU) calculation.

Key assumptions used in the VIU calculations

Gross margins

The basis used to determine the value assigned to the budgeted gross margins is the gross margins achieved in the year preceding the budgeted year adjusted for projected market conditions.

Discount rates

This discount rate used is the risk free rate, adjusted by the addition of an appropriate risk premium, is 15%.

Inflation

The basis used to determine the value assigned to the budgeted cost inflation, is the inflation rate, based on projected economic conditions.

Volume growth

Volume growth has been budgeted on a reasonable and realistic basis by taking into account the industry growth rates of one to four years immediately subsequent to the budgeted year.

23.3 Intangible assets that have been fully amortised and continue to be in use by the Group are as follows.

As at 31st March	GROUP		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Cost of fully amortised intangible assets	385,531	242,699	43,615	33,164

24 INVESTMENTS IN SUBSIDIARIES

Accounting Policy

Investment in Subsidiaries are initially recognised at cost in the Financial Statements of the Company. Any transaction cost relating to acquisition of investment in Subsidiaries are immediately recognised in the Income Statement. Following initial recognition, investment in Subsidiaries are carried at cost less any accumulated impairment losses.

As at 31st March	Number of shares	Effective holding	COMPANY	
			2026	2025
	No. '000	%	Rs.'000	Rs.'000
24.1 Carrying value				
Investment in subsidiaries				
Unquoted ordinary shares				
Jaykay Marketing Services (Pvt) Ltd	202,239	100	1,022,892	1,022,892
The Colombo Ice Company (Pvt) Ltd	170,000	100	1,745,518	1,745,518
LogiPark International (Pvt) Ltd*	105,875	100	-	-
Unquoted preference shares				
Jaykay Marketing Services (Pvt) Ltd**	80,000		200,000	200,000
			2,968,410	2,968,410

*LogiPark International (Pvt) Ltd is a wholly owned Subsidiary of Jaykay Marketing Services (Pvt) Ltd.

**On 17 July 2013 the Company invested a sum of Rs 200 million in 80,000,000, 10% Non-Cumulative, Non-Voting, Redeemable Preference Shares valued at Rs. 2.50 per share. The date of redemption shall be any time after five (05) years from the date of issue to be determined by the Board of Directors of Jaykay Marketing Services (Pvt) Ltd.

25 NON-CURRENT FINANCIAL ASSETS

Accounting Policy

Non-current financial assets within the scope of SLFRS 9 are classified as financial assets at initial recognition.

As at 31st March	Notes	GROUP		COMPANY	
		2026	2025	2026	2025
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
25.1 Non-current financial assets					
Loans to executives - Receivable between one and five years	25.2	545,584	484,094	268,209	256,752
Unquoted equity investments	25.3	5,262,422	7,038,264	5,262,422	7,038,264
Total non-current financial assets		5,808,006	7,522,358	5,530,631	7,295,016

As at 31st March	Notes	GROUP		COMPANY	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
25.2 Loans to executives					
At the beginning of the year		612,165	656,653	333,328	379,850
Loans granted		388,495	250,471	224,489	144,513
Recoveries		(307,183)	(294,959)	(211,941)	(191,035)
At the end of the year		693,477	612,165	345,876	333,328
Receivable within one year	28	147,893	128,071	77,667	76,576
Receivable after one year					
Receivable between one and five years		545,584	484,094	268,209	256,752
		693,477	612,165	345,876	333,328

As at 31st March	Number of shares No. '000	GROUP		COMPANY	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
25.3 Unquoted equity investments					
Waterfront Properties (Pvt) Ltd (WPL)*	539,286				
At the beginning of the year		7,038,264	5,735,080	7,038,264	5,735,080
Remeasurement gain/ (loss) recognised for the year		(1,775,842)	1,303,184	(1,775,842)	1,303,184
At the end of the year		5,262,422	7,038,264	5,262,422	7,038,264

The unquoted equity investment has been fair valued using the Discounted Cash Flow Method of the investee, Waterfront Properties (Private) Limited (WPL). The value per share of WPL as at 31st March 2026 was Rs.9.76 (2025: Rs.13.05). During the year, the key valuation assumptions were reviewed in line with the perspectives of a full year of operating performance of the integrated resort. Accordingly, given the steady but gradual ramp up experienced, where traction has been excellent although the pace of the ramp up has been somewhat slower than initially envisaged, the valuation has been rebased, resulting in a lower value per share as at the reporting date. The assumptions are not expected to materially deviate in the near term, as they are now supported by a full year of operations, whereas the prior year valuation relied more on external benchmarks and limited directly comparable operating evidence. The Company shareholding in WPL as at the reporting date was 2.47% (2025: 2.71%).

25.3 Unquoted equity investments (Contd.)

Details of the valuation as at 31st March 2026 are given below;

The valuation of the investment in WPL has been conducted based on the Discounted Cash Flow Method.

The revised valuation referred to above is primarily reflected in updated revenue and cash flow projections stemming from operating assumptions, together with related discounting assumptions..

Discounted Cash Flow Method

Estimates the fair market value of the entity considering the future cash flow generation of WPL, and all its integrated components. Projected cash flows are discounted to arrive at the net present value of the investment. Key assumptions used in the Discounted Cash Flow Method are noted below.

- **Forecast Horizon**

  Cash Flows have been forecasted for 5 years, with the terminal value based on an appropriate terminal growth rate in line with the market.

- **Revenue, EBITDA Margins and Cashflow Projections**

  Revenue and EBITDA margins have been adjusted for project specific aspects, including the perspectives from seeing a full year of operating performance of the integrated resort. The margin projections are based on the expected steady-state operations post ramp-up, peer comparisons and independent market studies, as applicable, and the performance of similar integrated properties regionally. The cash flows are forecasted under a base case scenario, considering all aspects and prospects of the integrated resort offering. A minority discount has also been factored in given the Company's shareholding percentage in WPL, which is relatively low on a standalone basis.

- **Discount Rate**

  The LKR cost of equity reflects the current and expected discount rates, while taking into account the long-term nature of the investment.

Details of the valuation as at 31st March 2025 are given below;

The valuation of the investment in WPL has been conducted based on the Discounted Cash Flow Method.

Discounted Cash Flow Method

Estimates the fair market value of the entity considering the future cash flow generation of WPL, and all its integrated components. Projected cash flows are discounted to arrive at the net present value of the investment. Key assumptions used in the Discounted Cash Flow Method are noted below.

- **Forecast Horizon**

  Cash Flows have been forecasted for 5 years, with the terminal value based on an appropriate terminal growth rate in line with the market.

- **Revenue and EBITDA Margins**

  Revenue and EBITDA margins have been adjusted for project specific aspects and the margin projections are based on the expected steady-state operations post ramp-up, peer comparisons and independent market studies, as applicable, and the performance of similar integrated properties regionally. The cash flows are forecasted under a base case scenario, considering all aspects and prospects of the integrated resort offering. A minority discount has also been factored in given the Company's shareholding percentage in WPL, which is relatively low on a standalone basis.

- **Discount Rate**

  The LKR cost of equity reflects the current and expected discount rates, while taking into account the long-term nature of the investment.

26 OTHER NON-CURRENT ASSETS

Accounting Policy

Group classifies all non financial non-current assets that are not expected to be realised within twelve months under other non-current assets.

As at 31st March	GROUP		COMPANY	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Prepaid staff cost*	123,377	88,535	58,475	17,804
Deposits	1,266,003	1,106,515	33,897	33,897
Prepaid rent and advances	21,949	27,413	-	-
	1,411,329	1,222,463	92,372	51,701

** Prepaid staff cost represent the prepaid portion of the loans granted to the Staff.*

27 INVENTORIES

Accounting Policy

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price less estimated costs of completion and the estimated costs necessary to make the sale.

Inventory provisions are recognized in cases where the expected net realizable value of inventory is lower than its carrying amount, including provisions for obsolete, slow moving stock and waste. The provision is based on periodical reviews performed by the Group. All inventory provisioning requires a level of judgement on how the condition of inventory is impacted by spoilages, shelf – life of products and other industry compliance requirements.

Inventory	Basis of valuation
Raw materials, machinery spares and other inventories	Actual cost on a weighted average basis
Finished goods, Supermarket inventories and work-in-progress	At the cost of direct materials, direct labour and an appropriate proportion of fixed production overheads based on normal operating capacity but excluding borrowing costs

27 INVENTORIES (CONTD.)

As at 31st March	Notes	GROUP 2026 Rs.'000	GROUP 2025 Rs.'000	COMPANY 2026 Rs.'000	COMPANY 2025 Rs.'000
Raw materials		3,699,264	2,351,807	2,195,950	1,528,108
Work-in-progress		260,486	141,212	205,448	86,537
Finished goods and retail (supermarket) goods		13,222,948	11,287,458	644,447	763,205
Machinery spares		1,292,293	1,056,287	777,558	633,939
Other inventories		304,440	260,205	59,346	39,612
Provision for slow moving inventories	27.1	(266,609)	(201,744)	(99,412)	(93,324)
		18,512,822	14,895,225	3,783,337	2,958,077

27.1 Movement in the provision for slow-moving inventories

As at 31st March	GROUP 2026 Rs.'000	GROUP 2025 Rs.'000	COMPANY 2026 Rs.'000	COMPANY 2025 Rs.'000
At beginning of the year	201,744	300,317	93,324	153,098
Charge/ (reversal) for the year	64,865	(98,573)	6,088	(59,774)
At end of the year	266,609	201,744	99,412	93,324

28 TRADE AND OTHER RECEIVABLES

A receivable represents the Group's right to an amount of consideration that is unconditional. Trade receivables are non-interest bearing and are generally on terms of 17 to 90 days. In 2026, Rs 92 million and Rs. 57 million (In 2025, Rs. 100 million and Rs 64 million) were recognised as provision for expected credit losses on trade receivables by the Group and the Company respectively.

As at 31st March	Notes	GROUP 2026 Rs.'000	GROUP 2025 Rs.'000	COMPANY 2026 Rs.'000	COMPANY 2025 Rs.'000
Trade receivables		9,731,727	8,914,071	4,972,618	4,093,269
Allowance for expected credit loss		(92,232)	(99,913)	(57,478)	(63,977)
		9,639,495	8,814,158	4,915,140	4,029,292
Deposits and other receivables		166,213	241,486	44,525	31,271
Loans to executives	25.2	147,893	128,071	77,667	76,576
		9,953,601	9,183,715	5,037,332	4,137,139

29 OTHER CURRENT ASSETS

Accounting Policy

Group classifies all non financial current assets under other current assets.

As at 31st March	GROUP		COMPANY	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Pre-payments	433,324	333,471	7,570	9,970
Advances	1,222,075	701,043	415,253	379,541
Other receivables	104,257	335,091	67,759	59,932
	1,759,656	1,369,605	490,582	449,443

30 STATED CAPITAL

As at 31st March	GROUP AND COMPANY			
	2026		2025	
	Number of shares	Value of shares	Number of shares	Value of shares
	No. '000	Rs.'000	No. '000	Rs.'000
Fully paid ordinary shares	950,400	918,000	950,400	918,000
Fully paid preference shares	25	200	25	200
		918,200		918,200
Fully paid ordinary shares				
At the beginning of the year	950,400	918,000	950,400	918,000
At the end of the year	950,400	918,000	950,400	918,000
Fully paid preference shares				
At the beginning of the year	25	200	25	200
At the end of the year	25	200	25	200

The issued ordinary shares of the Company are listed on the Colombo Stock Exchange.

31 REVENUE RESERVES

As at 31st March	GROUP		COMPANY	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Retained earnings	20,407,387	18,051,326	12,440,157	11,980,129
	20,407,387	18,051,326	12,440,157	11,980,129

32 OTHER COMPONENTS OF EQUITY

As at 31st March	Notes	GROUP		COMPANY	
		2026	2025	2026	2025
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
Revaluation reserve on					
Land	32.1	1,072,006	1,026,360	1,072,006	1,026,360
Building	32.1	1,770,369	1,526,539	508,227	418,608
		2,842,375	2,552,899	1,580,233	1,444,968
Employee share option plan reserve	33	924,299	803,222	505,761	450,787
Fair value reserve of financial assets at FVOCI	32.2	(130,441)	1,638,901	(130,441)	1,638,901
		3,636,233	4,995,022	1,955,553	3,534,656

32.1 Revaluation reserve consists of the surplus on the revaluation of land and buildings net of deferred tax effect.

32.2 Fair value reserve of financial assets at FVOCI includes changes in fair value of equity instruments, net of deferred tax effect.

33 SHARE-BASED PAYMENT PLANS

Employee Share Option Scheme

Accounting Policy

Employees of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The Group applies SLFRS 2 Share Based Payments in accounting for employee remuneration in the form of shares from 1 April 2013 onwards.

The cost of equity-settled transactions is recognised, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The Income Statement expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and service conditions are satisfied.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognised is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Employee Share Option Scheme

Accounting Policy

Employee Share Option Scheme

Under the John Keells Group's employees share option scheme (ESOP), share options of the parent are granted to executives of the Group generally with more than 12 months of service. The exercise price of the share options is equal to the 30 day volume weighted average market price of the underlying shares on the date of grant. The share options vest over a period of four years and is dependent on a performance criteria and a service criteria. The performance criteria being a minimum performance achievement of ""met expectations"" and service criteria being that the employee has to be in employment at the time the share options vest. The fair value of the share options is estimated at the grant date using a binomial option pricing model, taking into account the terms and conditions upon which the share options were granted.

The contractual term for each option granted is five years. There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share options.

Accounting judgements, estimates and assumptions

Estimating fair value for share-based payment transactions require determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires the determination of the most appropriate inputs to the valuation model, including the expected life of the share option, volatility and dividend yield and making assumptions about them.

The John Keells Group measures the cost of equity settled transactions with employees relevant to the entire Group by reference to the fair value of the equity instruments on the date at which they are granted. The same assumptions have been used by the Company as John Keells Group's Employee Share Option Scheme applies to the Company.

The expected life of the share options is based on the historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome either.

The following information were used and results were generated using binomial model for ESOP.

For the year ended 31st March	2026 Plan no 12 Award 1	2025 Plan no 11 Award 3	2024 Plan no 11 Award 2.1	2024 Plan no 11 Award 2	2023 Plan no 11 Award 1	2022 Plan no 10 Award 3
Dividend yield (%)	1.00	1.46	2.07	2.54	2.90	3.28
Expected volatility (%)	22.71	24.54	25.05	24.99	24.15	22.37
Risk free interest rate (%)	9.56	12.76	14.49	26.92	23.10	8.87
Expected life of share options (Years)	5.00	5.00	5.00	5.00	5.00	5.00
Weighted average share price at the grant date (LKR)	22.93	194.00	158.36	137.83	119.85	132.63
Weighted average remaining contractual life for the share options outstanding (Years)	3.00	3.00	3.00	3.00	3.00	3.00
Weighted average fair value of options granted during the year (LKR)	7.64	64.67	52.79	45.94	39.95	44.21
Exercise price for options outstanding at the end of the year (LKR)	21.80	20.03	14.53	13.76	12.17	13.64

33 SHARE-BASED PAYMENT PLANS (CONTD.)

As at 31st March	Notes	GROUP 2026 Rs.'000	GROUP 2025 Rs.'000	COMPANY 2026 Rs.'000	COMPANY 2025 Rs.'000
At the beginning of the year		803,222	712,608	450,787	408,841
Share-based payments expense during the year		121,077	90,614	54,974	41,946
At the end of the year		924,299	803,222	505,761	450,787

Movements in the year

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of, and movements in, share options during the year.

For the year ended 31st March	GROUP 2026 No.	GROUP 2026 WAEP	COMPANY 2026 No.	COMPANY 2026 WAEP
Outstanding at 1 April	62,611,659	15.10	28,224,203	15.18
Granted during the year	19,811,310	21.80	8,998,355	21.80
Transfer in/ (out)	122,288	20.03	122,288	20.03
Exercises	(14,436,650)	13.46	(7,776,941)	13.52
Lapses/forfeited	(1,268,770)	19.39	(1,268,770)	19.39
Outstanding at 31 March	66,839,837	17.36	28,299,135	17.57
Vested as at 31 March	25,890,262	14.27	10,191,057	14.42

Fair value of the share option and assumptions

The fair value of the share options is estimated at the grant date using a binomial option pricing model, taking into account the terms and conditions upon which the share options were granted. The valuation takes into account factors such as stock price, expected time to maturity, exercise price, expected volatility of share price, expected dividend yield and risk free interest rate.

34 INTEREST-BEARING LOANS AND BORROWINGS

For the year ended 31st March	GROUP 2026 Rs.'000	GROUP 2025 Rs.'000	COMPANY 2026 Rs.'000	COMPANY 2025 Rs.'000
34.1 Movements				
At the beginning of the year	5,656,073	7,666,620	1,005,366	989,664
Cash movements				
Loans obtained	2,500,490	2,562,103	304,618	232,102
Repayments	(2,462,052)	(4,572,650)	(437,051)	(216,400)
At the end of the year	5,694,511	5,656,073	872,933	1,005,366
34.2 Total Borrowings				
Borrowings under non-current liabilities	3,863,170	3,150,023	385,414	624,316
Borrowings under current liabilities	1,831,341	2,506,050	487,519	381,050
	5,694,511	5,656,073	872,933	1,005,366

34.3 Details of Group's interest bearing loans and borrowings are as follows;

Company	Nature of facility	Interest rate and security	Repayment terms	2026 Rs.'000	2025 Rs.'000
Ceylon Cold Stores PLC	Term loan	Fixed rate on clean basis	48 monthly instalments commencing from August 2022 after one year grace period	23,600	81,200
Ceylon Cold Stores PLC	Term loan	Fixed rate on clean basis	48 monthly instalments commencing from October 2022 after one year grace period	1,402	48,852
Ceylon Cold Stores PLC	Term loan	Monthly AWPLR on clean basis	48 monthly instalments commencing from October 2024 after one year grace period	653,634	875,314
Ceylon Cold Stores PLC	Term loan	Fixed rate on clean basis	48 monthly instalments commencing from November 2026 after one year grace period	80,780	-
Ceylon Cold Stores PLC	Term loan	Fixed rate on clean basis	36 monthly instalments commencing from November 2025	113,517	-
The Colombo Ice Company (Pvt) Limited	Term loan	Fixed rate on clean basis	48 monthly instalments commencing from May 2026 after one year grace period	2,195,872	-
Jaykay Marketing Services (Pvt) Ltd	Term loan	Fixed rate on clean basis	20 equal quarterly instalments	-	600,000
	Term loan	Fixed rate on clean basis	20 equal quarterly instalments	100,000	400,000
	Term loan	Fixed rate on clean basis	Repayment on maturity	2,000,000	2,000,000
	Term loan	Fixed rate on clean basis	24 equal monthly instalments	68,750	233,750
LogiPark International (Pvt) Ltd	Term loan	3 months Cost of funds plus margin and mortgage over the property - Rs. 3,934 million (2025 - 3,819 million).	15 equal quarterly instalments after one year grace and the final payment to be paid in the 58th Month	456,956	1,416,957
				5,694,511	5,656,073

35 EMPLOYEE BENEFIT LIABILITIES

Accounting Policy

Employee contribution plans - Employees' Provident Fund and Employees' Trust Fund

Employees are eligible for Employees' Provident Fund contributions and Employees' Trust Fund contributions in line with respective statutes and regulations. The Group contributes the defined percentages of gross emoluments of employees to an approved Employees' Provident Fund and to the Employees' Trust Fund respectively, which are externally funded.

Employee Defined Benefit Plan - Gratuity

The liability recognised in the Statement of Financial Position is the present value of the defined benefit obligation at the reporting date using the projected unit credit method. Any actuarial gains or losses arising are recognised immediately in Statement of Comprehensive Income under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service. The obligation is not externally funded.

35 EMPLOYEE BENEFIT LIABILITIES (CONTD.)

As at 31st March	Notes	GROUP 2026 Rs.'000	GROUP 2025 Rs.'000	COMPANY 2026 Rs.'000	COMPANY 2025 Rs.'000
35.1 Employee benefit liabilities					
Employee defined benefit plan - gratuity	35.3	1,391,966	1,068,555	666,887	525,643
At the end of the year		1,391,966	1,068,555	666,887	525,643

As at 31st March	Notes	GROUP 2026 Rs.'000	GROUP 2025 Rs.'000	COMPANY 2026 Rs.'000	COMPANY 2025 Rs.'000
35.2 Total employee benefit provisions and related costs					
Employee defined benefit plan - gratuity	35.3	240,182	226,514	98,297	99,858
		240,182	226,514	98,297	99,858

As at 31st March	Notes	GROUP 2026 Rs.'000	GROUP 2025 Rs.'000	COMPANY 2026 Rs.'000	COMPANY 2025 Rs.'000
35.3 Employee defined benefit plan - gratuity					
At the beginning of the year		1,068,555	1,087,876	525,643	575,183
Current service cost		132,437	100,500	40,476	30,836
Interest cost on benefit obligation		107,745	126,014	57,821	69,022
	35.2	240,182	226,514	98,297	99,858
Transfers in / (out)		1,351	(1,118)	3,498	1,653
Payments		(100,265)	(91,799)	(55,677)	(57,187)
		(98,914)	(92,917)	(52,179)	(55,534)
(Gain)/loss arising from changes in assumptions		182,143	(152,918)	95,126	(93,864)
At the end of the year	35.1	1,391,966	1,068,555	666,887	525,643
The expenses are recognised in the Income Statement in the following line items;					
Cost of sales		122,329	112,687	45,696	51,158
Selling and distribution expenses		29,678	27,107	29,338	27,007
Administrative expenses		88,175	86,720	23,263	21,693
	35.2	240,182	226,514	98,297	99,858

The employee benefit liabilities of the Group is based on the actuarial valuations carried out by Messrs. Smiles Global (Pvt) Ltd.

35.4 Accounting judgments, estimates and assumptions

Employee benefit liability - gratuity

The employee benefit liability of the Group is based on the actuarial valuation carried out by an independent actuarial specialist. The actuarial valuations involve making assumptions about discount rates and future salary increases. The complexity of the valuation, the underlying assumptions and its long term nature, the defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The principal assumptions used in determining the cost of employee benefits were:

	GROUP		COMPANY	
For the year ended 31st March	2026	2025	2026	2025
Discount rate	9%-10%	9%-11%	10%	11%
Future salary increases				
Executives	7%	6%	7%	6%
Non-Executives	7%	6%	7%	6%
Retirement Age;				
Executive staff and sales representative				
As on 17 Nov 2021, employees who have attained the age of;				
Less than 52 years	60 years	60 years	60 years	60 years
52 years	59 years	59 years	59 years	59 years
53 years	58 years	58 years	58 years	58 years
54 years	57 years	57 years	57 years	57 years
Clerical and factory staff	60 years	60 years	60 years	60 years

The Management tested several scenario based calculations on possible changes of the assumptions due to the prevailing macroeconomic conditions. Based on those calculations, the management has concluded that there is no material impact to retirement benefit obligations liability of the Group and the Company.

35.5 Sensitivity of assumptions used

A percentage point change in the assumptions would have the following effects to employee benefit plan - gratuity;

	GROUP		COMPANY	
As at 31st March	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Discount rate				
1% Increase	(41,897)	(33,414)	(22,363)	(17,933)
1% Decrease	44,853	35,800	24,039	19,260
Salary increment rate				
1% Increase	49,313	39,715	26,806	21,702
1% Decrease	(44,550)	(37,634)	(25,330)	(20,499)

35.6 Maturity analysis of the payments

The following payments are expected on employee benefit liabilities in future years

For the year ended 31st March	GROUP		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Within the next 12 months	42,100	31,715	41,448	31,351
Between 1 and 5 years	1,116,130	818,401	422,229	300,613
Between 5 and 10 years	233,736	218,439	203,210	193,679
Beyond 10 years	-	-	-	-
Total expected payments	1,391,966	1,068,555	666,887	525,643
Weighted average duration (years) of defined benefit obligation	4.38	4.66	5.85	6.26

36 OTHER NON-CURRENT LIABILITIES

Accounting Policy

The Group classifies all non-financial non-current liabilities which comprises distributor deposits under other non-current liabilities.

Deposit on returnable containers and crates represents the cash deposits collected from distributors when issuing returnable containers and crates by the Company. At the time of termination of a distributor the deposit is refunded in case the returnable containers and crates were returned to the Company or the deposit was forfeited to the extent the returnable containers and crates were not returned to the Company. At each reporting date, the Company evaluates the liability based on a mathematical formula that considers the tenure of the distributorship and number of return crates and containers. Any difference between the calculated liability and the book balance is transferred to the Income Statement.

As at 31st March	Note	GROUP		COMPANY	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Deposits with the Company	36.1	104,152	125,689	104,152	125,689
		104,152	125,689	104,152	125,689

As at 31st March	GROUP		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
36.1 Deposits with the Company				
At the beginning of the year	125,689	111,259	125,689	111,259
Deposits received during the year	15,400	13,354	15,400	13,354
Deposits settled during the year	(19,734)	(13,941)	(19,734)	(13,941)
Charge/(reversal) during the year*	(17,203)	15,017	(17,203)	15,017
	104,152	125,689	104,152	125,689

*During the year 2025/26, a detailed analysis was undertaken by the management to establish the liability considering the past data relating to distributor termination, refund and forfeiture of deposits. A mathematical formula was derived from this analysis taking into consideration the tenure of distributorship and the number of returnable containers and crates returned at the point of distributor termination. The liability calculated based on this model was compared against the balance as per the books of accounts. The difference arising out of this was transferred to the Income Statement.

37 TRADE AND OTHER PAYABLES

Accounting Policy

Trade payables are the aggregate amount of obligations to pay for goods or services, that have been acquired in the ordinary course of business. Trade payables are classified as current liabilities if payment is due within one year. Trade and other payables are normally non-interest bearing and settled within one year.

As at 31st March	GROUP		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Trade payables	19,276,945	16,760,581	869,829	758,655
Accrued expenses	2,876,140	2,243,556	1,206,915	925,444
Sundry creditors & other payables	1,952,822	1,829,846	1,121,284	1,084,748
	24,105,907	20,833,983	3,198,028	2,768,847

38 OTHER CURRENT LIABILITIES

Accounting Policy

The Group classifies all non-financial current liabilities under other current liabilities.

As at 31st March	GROUP		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Other taxes payable	1,503,569	1,351,862	1,052,797	836,460
Other payable	64,936	56,399	-	-
Gift vouchers sold to customers	524,207	423,214	-	-
Loyalty points not yet redeemed	391,383	333,343	-	-
	2,484,095	2,164,818	1,052,797	836,460

The Group operates the Nexus loyalty programme where customers accumulate points for purchases made which entitle them to redeem such points on future purchases. The cost of Nexus loyalty points is a part of the fair value of the consideration received and recognised as a liability and subsequently recognised as revenue over the period that the award points are redeemed. The value of points awarded is treated as a deduction from revenue. Nexus membership is valid for a period of 3 years and if a member fails to renew his membership within 3 months from such expiry, his/her entitlement to reward points would be null and void.

39 SHORT-TERM BORROWINGS

Accounting Policy

Short-term borrowings are interest-bearing borrowings of the Group which fall due within 12 months from the end of the financial year. These are obtained for working capital requirements.

As at 31st March	GROUP		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Bank borrowings*	3,038,600	1,318,487	1,600,000	-
	3,038,600	1,318,487	1,600,000	-

*The movement during the year is reflected in the Statement of Cash Flows under financing activities on a net basis since the turnover is quick, the amounts are large, and maturities are short.

40 RELATED PARTY TRANSACTIONS

Accounting Policy

Terms and conditions of transactions with related parties

The Group and Company carried out transactions in the ordinary course of business on an arm's length basis with the related entities.

Outstanding current account balances at year end are unsecured, interest free and settlement occurs in cash.

The governance structure, nature of the entity's relationships, principal place of business and the country of incorporation have been disclosed in the "Report of the Related Party Transactions Review Committee" under the Corporate Governance Commentary section and Corporate information in Note 1 to the Financial Statements.

Non-recurrent related party transactions

There were no non-recurrent related party transactions of which the aggregate value exceeds 10% of the equity or 5% of the total assets whichever is lower of the Group's Consolidated Audited Financial Statements as at 31st March 2025, which requires additional disclosures in this Annual Report under Colombo Stock Exchange Listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

Recurrent related party transactions

There were no recurrent related party transactions which in aggregate value exceeds 10% of the consolidated revenue of the Group as per 31 March 2025 audited Financial Statements, which requires additional disclosures in the 2025/26 Annual Report under Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission directive issued under Section 13(c) of the Securities and Exchange Commission Act.

40.1 Amounts due from related parties

As at 31st March	Note	GROUP 2026 Rs.'000	GROUP 2025 Rs.'000	COMPANY 2026 Rs.'000	COMPANY 2025 Rs.'000
Entity including its affiliated entities with significant influence over parent		108,140	35,849	-	-
Ultimate Parent		-	-	-	-
Subsidiaries		-	-	279,723	300,278
Companies under common control		46,451	17,847	23,707	28,775
Equity accounted investees of Ultimate Parent		5,204	3,477	-	-
Key management personnel		-	-	-	-
	40.3	159,795	57,173	303,430	329,053

40.2 Amounts due to related parties

As at 31st March	Note	GROUP 2026 Rs.'000	GROUP 2025 Rs.'000	COMPANY 2026 Rs.'000	COMPANY 2025 Rs.'000
Entity including its affiliated entities with significant influence over parent		658,258	492,368	377,628	275,993
Ultimate Parent		249,514	218,202	48,513	24,670
Companies under common control		497,115	281,668	13,875	16,002
Equity accounted investees of Ultimate Parent		-	1,732	-	-
Key management personnel		-	-	-	-
	40.4	1,404,887	993,970	440,016	316,665

No provision has been made in respect of related party receivables. Jaykay Marketing Services (Pvt) Ltd has provided a guarantee amounting to Rs. 3,680 million (2025 - Rs. 1,147 million) to Hongkong & Shanghai Banking Corporation Ltd on behalf of a term loan facility obtained by LogiPark International (Pvt) Ltd.

As at 31st March	GROUP		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
40.3 Amounts Due from Related Parties				
Entity including its affiliated entities with significant influence over parent	108,140	35,849	-	-
Ultimate Parent				
John Keells Holdings PLC	-	-	-	-
Subsidiaries				
Jaykay Marketing Services (Pvt) Ltd	-	-	197,175	214,478
The Colombo Ice Company (Pvt) Ltd	-	-	82,400	85,505
LogiPark International (Pvt) Ltd	-	-	148	295
Companies Under Common Control				
Asian Hotels & Properties PLC	-	-	2,267	-
Beruwala Holiday Resorts (Pvt) Ltd	224	99	-	-
Ceylon Holiday Resorts Ltd	257	886	-	-
Cinnamon Hotel Management Services Ltd	91	-	-	-
Colombo West International (Pvt) Ltd	788	53	-	-
Habarana Lodge Ltd	2	1	-	-
Habarana Walk Inn Ltd	1	-	-	-
Hikkaduwa Holiday Resorts (Pvt) Ltd	631	434	-	-
Indra Hotels & Resorts Kandy (Pvt) Ltd	82	2	-	-
Inchcape Mackinnon Mackenzie (Pvt) Ltd	681	7	-	-
John Keells CG Auto (Pvt) Ltd	37,813	-	-	-
John Keells Foundation	1	-	-	-
John Keells Office Automation (Pvt) Ltd	-	-	590	-
John Keells PLC	9	14	-	-
John Keells Teas Ltd	-	1	-	-
John Keells Warehousing (Pvt) Ltd	1	1	-	-
Kandy Walk Inn Ltd	N/A	876	N/A	-
Keells Food Products PLC	-	-	18,182	27,420
Lanka Marine Services Ltd	1	6	-	-
Mack Air (Pvt) Ltd	7	2	-	-
Mackinnon Mackenzie and Company of Ceylon Ltd	5	-	-	-
Rajawella Holdings Ltd	552	981	-	-
Sancity Hotels & Properties Ltd	814	368	-	-
Trans Asia Hotel PLC	2,017	2,504	1,427	1,355
Trinco Holiday Resorts (Pvt) Ltd	141	-	-	-
Tranquility Private Ltd	-	5,492	-	-
Travel Club (Pvt) Ltd	-	5,389	-	-
Union Assurance PLC	37	731	-	-
Walkers Tours Ltd	42	-	-	-
Waterfront properties (Pvt) Ltd	2,120	-	1,107	-
Yala Village (Pvt) Ltd	134	-	134	-
Equity Accounted Investees of Ultimate Parent				
Fairfirst Insurance Ltd	N/A	67	N/A	-
DHL Keells (Pvt) Ltd	1,616	1,649	-	-
Nations Trust Bank PLC	3,418	1,761	-	-
South Asia Gateway Terminals (Pvt) Ltd	170	-	-	-
	159,795	57,173	303,430	329,053

As at 31st March	GROUP		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
40.4 Amounts Due to Related Parties				
Entity including its affiliated entities with significant influence over parent	658,258	492,368	377,628	275,993
Ultimate Parent				
John Keells Holdings PLC	249,514	218,202	48,513	24,670
Subsidiary				
Jaykay Marketing Services (Pvt) Ltd	-	-	-	-
The Colombo Ice Company (Pvt) Ltd	-	-	-	-
LogiPark International (Pvt) Ltd	-	-	-	-
Companies Under Common Control				
Asian Hotels & Properties PLC	2,980	15,481	-	-
Cinnamon Hotel Management Ltd	-	208	-	-
Infomate (Pvt) Ltd	12,918	11,728	349	15
John Keells Information Technology (Pvt) Ltd	1,767	2,366	-	-
John Keells Logistics (Pvt) Ltd	57,011	19,576	10,703	8,903
John Keells Office Automation (Pvt) Ltd	74,372	22,680	-	1,046
Keells Consultants (Pvt) Ltd	85	71	-	-
Keells Food Products PLC	323,904	189,481	-	-
Mackinnons Travels (Pvt) Ltd	5,035	4,597	2,823	21
Walkers Tours Ltd	-	158	-	-
Waterfront Properties (Pvt) Ltd	-	5,640	-	5,798
Whittall Boustead (Pvt) Ltd	19,043	9,569	-	219
Yala Village (Pvt) Ltd	-	113	-	-
Equity Accounted Investees of Ultimate Parent				
John Keells CG Auto (Pvt) Ltd	-	1,732	-	-
	1,404,887	993,970	440,016	316,665

The Group and the Company held interest-bearing deposits of Rs 16.8 million (2025 - Rs. 14.8 million) and Rs. 6.5 million (2025 - Rs. 12 million) respectively, at Nations Trust Bank PLC as at 31st March 2026. The Group did not hold any short-term borrowings (2025 - Nil) and any overdraft facilities (2025 - Rs. 5.5 million) with Nations Trust Bank PLC as at 31st March 2026.

The Group carried out transactions in the ordinary course of business at arm's length basis with the following related entities.

For the year ended 31st March	GROUP		COMPANY	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
40.5 Transactions with Related Parties				
Entity including its affiliated entities with significant influence over parent				
Sales of goods	-	-	-	-
Purchase of goods	4,693,932	3,999,195	2,239,790	2,099,102
Rendering of services	90,985	53,250	-	-
Ultimate Parent - John Keells Holdings PLC				
Sale of goods	957	1,763	-	-
Receiving of services	858,764	696,587	286,959	219,527
Purchase of intangible assets	442,848	313,246	80,046	42,603
Subsidiaries				
Sales of goods	-	-	1,430,157	1,288,148
Purchase of goods	-	-	271,235	306,906
Receiving of services	-	-	128,430	89,100
Rendering of services	-	-	439,761	372,002
Royalty income	-	-	459,612	417,678
Dividend received	-	-	3,586,470	2,346,694
Companies Under Common Control				
Sales of goods	326,504	323,457	12,783	11,378
Purchase of goods	1,982,763	1,594,186	-	147
Purchase of property, plant and equipment / Intangible assets	189,538	92,095	5,812	18,638
Rendering of services	319,834	126,801	141,483	114,776
Receiving Services	785,409	695,033	178,541	136,963
Franchise Income Received	19,723	13,538	19,723	13,538
Key Management Personnel (KMP)				
Sale of goods	-	-	-	-
Close Family Members of KMP				
Sale of goods	-	-	-	-
Post Employment Benefit Plan				
Contributions to the provident fund	271,300	210,896	231,863	188,858

For the year ended 31st March	GROUP		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
40.6 Transactions with related parties - Equity accounted investees of ultimate parent				
Sales of goods	34,034	29,328	-	-
Rendering of services	-	9,460	-	-
Receiving Services	99,897	112,225	76,147	86,340
Interest paid	(106)	(7,597)	175	(4,717)
Rent received	11,563	11,108	-	-

40.7 Compensation of key management personnel

Key management personnel include members of the Board of Directors of the Group.

For the year ended 31st March	GROUP		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Short-term employee benefits	425,713	293,925	213,504	146,174
Post employee benefits	6,232	4,989	2,926	2,411
Share based payment	66,514	29,587	32,318	24,329
	498,459	328,501	248,748	172,914

41 CONTINGENT LIABILITIES

Accounting Policy

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the Income Statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

All contingent liabilities are disclosed as a note to the Financial Statements unless the outflow of resources is remote. A contingent liability recognised in a business combination is initially measured at its fair value.

Subsequently, it is measured at the higher of:

- The amount that would be recognised in accordance with the general guidance for provisions above (LKAS 37) or
- The amount initially recognised less, when appropriate, cumulative amount of income recognised in accordance with the principles of SLFRS 15 - Revenue from contracts with customers. Contingent assets are disclosed, where inflow of economic benefit is probable.

The contingent liability of the Company as at 31 March 2026, relates to the following;

Income tax assessments relating to years of assessments 2011/12, 2012/2013 and 2013/2014

Assessments were raised by the IRD in November 2014, November 2015 and May 2016 assessing the income from write back of deposits on returnable containers and crates amounting to Rs. 202 million, Rs. 43 million and Rs. 41 million respectively. The Company has lodged valid appeals against the assessments raised and is contesting these under the appellate procedure. Having discussed with independent legal and tax experts and based on the information available, the contingent liability as at 31 March 2026 is estimated at Rs. 36.5 million (2025 - Rs. 36.5 million).

Other than the above there were no other contingent liabilities for the Group at the end of the reporting period.

42 CAPITAL AND OTHER COMMITMENTS

Capital commitments approved and contracted but not provided for as at the reporting date is as follows.

As at 31st March	GROUP		COMPANY	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Approved and contracted but not provided	5,886,096	4,278,880	1,933,988	646,225
Total	5,886,096	4,278,880	1,933,988	646,225

43 EVENTS AFTER THE REPORTING PERIOD

There were no material events occurring after reporting period that required adjustment to or disclosure to the Financial Statements other than following.

The Board of Directors has approved the payment of a final dividend of Rs 3.34 per share to be paid on or before 12th June 2026.

As required by section 56 (2) of the Companies Act, No. 07 of 2007, the Board of Directors has confirmed that the Company satisfies the solvency test in accordance with Section 57 of the Companies Act, No. 07 of 2007, and has obtained a certificate from the auditors, prior to approving the final dividend.

In accordance with LKAS 10, Events after the reporting period, the final dividend has not been recognised as a liability in the Financial Statements as at 31 March 2026.

YOUR SHARE IN DETAIL

Ordinary Shareholding

Number of Ordinary Shares	950,400,000

Distribution of Shareholders

Shareholding Range	31st March 2026			31st March 2025		
	No. of Shareholders	No. of Shares Held	%	No. of Shareholders	No. of Shares Held	%
Less than or equal to 1,000	4,570	1,086,504	0.11	2,210	563,697	0.06
1,001 to 10,000	1,472	5,563,052	0.59	1,044	4,447,903	0.47
10,001 to 100,000	575	20,811,674	2.19	534	19,405,692	2.04
100,001 to 1,000,000	215	62,615,801	6.59	214	61,905,913	6.51
Over 1,000,001	25	860,322,969	90.52	26	864,076,795	90.92
	6,857	950,400,000	100.00	4,028	950,400,000	100.00

Shareholding Range	31st March 2026			31st March 2025		
	No. of Shareholders	No. of Shares Held	%	No. of Shareholders	No. of Shares Held	%
John Keells Holdings & Subsidiaries	2	773,212,040	81.36	2	773,212,040	81.36
Others	6,855	177,187,960	18.64	4,026	177,187,960	18.64
Total	6,857	950,400,000	100.00	4,028	950,400,000	100.00
Sri Lankan Residents	6,715	875,243,739	92.09	3,899	873,784,267	91.94
Non-Residents	142	75,156,261	7.91	129	76,615,733	8.06
Total	6,857	950,400,000	100.00	4,028	950,400,000	100.00
John Keells Holdings & Subsidiaries	2	773,212,040	81.36	2	773,212,040	81.36
Directors and Spouses	3	864,040	0.09	4	904,040	0.09
Public	6,852	176,323,920	18.55	4,022	176,283,920	18.55
Total	6,857	950,400,000	100.00	4,028	950,400,000	100.00

**Percentage of the shares held by the public as at 31st March 2026 is 18.55%. Company had a float adjusted market capitalisation of Rs. 18.2 billion and 6,852 public shareholders as at 31st March 2026. Thus the Company is compliant under option 1 of the minimum threshold requirements for the Main Board of the CSE, as per section 7.13 of the Listing Rules of the CSE.*

TOP 20 SHAREHOLDERS

As at 31 March		2026		2025	
		No. of Shares Held	% of Issued Capital	No. of Shares Held	% of Issued Capital
1	John Keells Holdings PLC	671,558,120	70.66	671,558,120	70.66
2	Whittall Boustead (Pvt) Ltd	101,653,920	10.70	101,653,920	10.70
3	GF Capital Global Ltd	23,402,410	2.46	22,542,410	2.37
4	BBH Lux fidelity Funds-Pacific Fund	15,867,427	1.67	17,686,730	1.86
5	JPMCB NA- Fidelity Asian Values PLC	7,726,110	0.81	7,726,110	0.81
6	BBH-Redwheel Frontier Markets Equity Master Fund Limited	6,213,331	0.65	6,213,331	0.65
7	Caceis Bank, Luxembourg Branch	3,750,107	0.39	3,750,107	0.39
8	J.B. Cocoshell (Pvt) Ltd	3,311,799	0.35	2,429,665	0.26
9	SEYLAN BANK PLC/ARRC Capital (Pvt) Ltd	2,861,159	0.30	5,451,076	0.57
10	Sisira Investors Ltd	2,591,320	0.27	2,591,320	0.27
11	Deutsche Bank AG As Trustee For JB Vantage Value Equity Fund	2,475,229	0.26	1,411,390	0.15
12	Life Insurance Corporation (Lanka) Ltd	1,744,120	0.18	1,744,120	0.18
13	Mrs. J R Printer (Deceased)	1,679,360	0.18	1,679,360	0.18
14	Hatton National Bank PLC-Senfin Growth Fund	1,627,050	0.17	1,627,050	0.17
15	DFCC Bank PLC A/C No. 02	1,514,522	0.16	-	-
16	Hatton National Bank PLC-NDB Wealth Growth and Income Fund	1,500,000	0.16	-	-
17	Commercial Bank of Ceylon PLC A/C No. 03	1,375,000	0.14	1,375,000	0.14
18	Mr. M V Theagarajah	1,335,480	0.14	1,335,480	0.14
19	Mrs. H.M. Mount (Deceased)	1,253,600	0.13	1,253,600	0.13
20	DCS CLT ACC for Deutsche Bank AG Singapore - PWM WM Client	1,200,000	0.13	-	-

As at 31 March	2026		2025	
SHARE PRICES (Rs.)				
Beginning of the year	82.00		53.90	
Highest for year	125.00	(01.10.2025)	93.40	(03.02.2025)
Lowest for year	74.00	(07.04.2025)	49.50	(10.09.2024)
As at 31 March	103.00		82.00	

DECADE AT A GLANCE

GROUP

Year ended 31st March	2026 Rs.`000	2025 Rs.`000	2024 Rs.`000	2023 Rs.`000	2022 Rs.`000	2021 Rs.`000	2020 Rs.`000	2019 Rs.`000	2018 Rs.`000	2017 Rs.`000
Trading results										
Gross revenue*	210,696,513	181,031,936	155,714,027	137,368,442	89,238,849	72,571,919	73,924,033	64,880,330	56,744,775	48,043,180
Profit from operating activities	13,577,928	11,313,796	8,155,396	6,185,004	4,744,285	4,112,478	4,786,077	2,605,644	3,640,211	4,788,129
Profit before taxation	11,077,155	9,002,047	4,930,890	2,239,384	2,781,776	2,374,533	3,067,185	2,042,648	3,750,358	5,089,748
Taxation	(3,191,292)	(3,044,381)	(1,504,038)	273,284	(713,728)	(36,278)	(931,971)	(732,483)	(1,182,903)	(1,536,845)
Profit after taxation	7,885,863	5,957,666	3,426,852	2,512,668	2,068,048	2,338,255	2,135,214	1,310,165	2,567,455	3,552,903
As at 31 March										
Assets, equity and liabilities										
Property, plant & equipment	36,052,894	29,961,301	27,745,731	27,250,176	25,579,561	22,289,230	20,136,947	18,121,188	12,868,657	8,107,133
Investment property	711,772	691,126	667,741	645,872	317,250	300,295	296,422	254,034	228,601	207,042
Investment in associate	-	-	-	-	-	-	-	-	-	6,029,201
Right of Use Assets - Leasehold Properties	11,586,027	10,540,072	10,016,369	9,771,877	10,103,030	9,567,318	7,997,183	-	-	-
Other non-current assets	12,511,617	13,348,011	11,885,178	11,632,363	11,331,951	10,292,030	8,932,928	9,110,722	6,788,933	1,063,349
Total non-current assets	60,862,310	54,540,510	50,315,019	49,300,288	47,331,792	42,448,873	37,363,480	27,485,944	19,886,191	15,406,725
Net current assets	(13,997,173)	(10,915,916)	(11,985,063)	(10,621,937)	(8,233,402)	(9,330,268)	(10,531,394)	(8,314,480)	(2,154,067)	(375,187)
	46,865,137	43,624,594	38,329,956	38,678,351	39,098,390	33,118,605	26,832,086	19,171,464	17,732,124	15,031,538
Long term right of use Lease Liability	12,788,224	11,383,724	10,689,948	9,963,144	9,927,569	8,827,562	7,392,687	-	-	-
Long-term interest-bearing loans and borrowings	3,863,170	3,150,023	3,163,570	6,850,410	8,307,738	5,141,667	958,333	1,458,333	1,958,333	129,525
Other non-current liabilities	5,251,923	5,126,298	4,025,742	2,787,334	2,755,929	2,366,706	2,674,490	2,313,173	2,091,018	1,712,615
Net assets	24,961,820	23,964,548	20,450,697	19,077,463	18,107,154	16,782,670	15,806,576	15,399,958	13,682,773	13,189,398
Represented by										
Stated capital	918,200	918,200	918,200	918,200	918,200	918,200	918,200	918,200	918,200	918,200
Capital reserves	3,636,233	4,995,022	3,466,020	3,627,342	3,876,658	3,501,719	3,200,137	3,029,785	1,196,142	2,168,837
Retained profits	20,407,387	18,051,326	16,066,477	14,531,921	13,312,296	12,362,751	11,688,239	11,451,973	11,568,431	10,102,361
Shareholder's funds	24,961,820	23,964,548	20,450,697	19,077,463	18,107,154	16,782,670	15,806,576	15,399,958	13,682,773	13,189,398

**Gross revenue includes output VAT*

KEY FIGURES & RATIOS

RATIOS & OTHER INFORMATION - GROUP

Year ended 31st March	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Dividend per Share (Rs.) - Paid	5.67	4.30	1.87	1.19	1.20	1.70*	20.00	15.00	15.00	32.00
Dividend Payout (%)	68.33	68.60	51.84	44.91	55.15	69.10	89.02	108.77	55.53	85.61
Net Assets per Share (Rs.)**	26.26	25.22	21.52	20.07	19.05	17.66	16.63	16.20	14.40	13.88
Market Value per Share (Rs.)	103.00	82.00	53.90	40.00	38.90	62.18*	655.00	575.00	950.00	811.00
Debt / Equity Ratio (%)	76.72	66.78	82.32	118.02	98.92	145.88	129.32	71.61	40.50	7.57
Interest Cover (No.of Times)	5.20	4.67	2.43	1.51	2.32	2.29	2.62	4.03	113.50	701.08
Earnings per Share (Rs.)	8.30	6.27	3.61	2.64	2.18	2.46*	22.47	13.79	27.01	37.38
Price Earnings Ratio (No.of Times)	12.41	13.08	14.95	15.13	17.88	25.27	29.15	41.70	35.17	21.70
Current Ratio (No.of Times)	0.69	0.71	0.66	0.68	0.66	0.57	0.51	0.55	0.82	0.95
Return on Total Assets (%)	9.06	7.66	4.71	3.72	3.49	4.53	4.98	3.90	9.87	16.80
Return on Equity (%)	32.15	26.72	17.23	13.40	11.76	14.33	13.41	8.84	18.85	26.95
Dividend Yield (%)	5.50	5.24	3.47	2.97	3.08	2.73	3.05	2.61	1.58	3.95
Earnings Yield (%)	8.06	7.64	6.69	6.61	5.59	3.96	3.43	2.40	2.84	4.61

**Adjusted for the 2021/22 share sub-division*

***Net Asset per share has been calculated for all periods, based on the number of shares in issue as at 31st March 2026.*

GROUP REAL ESTATE PORTFOLIO

Owning Company & Location	No. of Buildings	Buildings in (Sq. ft)	Freehold Land in Acres	Leasehold Land in Acres	2026 NBV Rs. '000	2025 NBV Rs. '000
Ceylon Cold Stores PLC						
Kaduwela	21	405,393	27.35	-	2,599,442	2,473,016
Trincomalee	3	18,102	1.09	-	394,100	377,100
Kotagala	6	13,354	-	0.71	111,829	110,183
Colombo	1	10,646	-	-	393,953	441,227
Ittapana	3	30,822	5.023	-	277,284	373,860
Jaykay Marketing Services (Pvt) Ltd						
Improvements to buildings on leasehold properties	148	1,674,504	-	132.84	22,135,473	19,586,010
The Colombo Ice Company (Pvt) Ltd						
Avissawella	9	194,628	-	9.30	2,185,958	1,866,765
Kotagala	1	1,176	-	0.03	3,936	5,677
LogiPark International (Pvt) Ltd						
Kerawalapitiya	1	260,000	-	9.36	2,662,610	2,736,729
Consolidated value of land and buildings, right use assets and investment properties	193	2,608,625	33.463	152.24	30,764,585	27,970,567

GLOSSARY OF FINANCIAL TERMINOLOGY

A

ACCRUAL BASIS
Recording Revenues and Expenses in the period in which they are earned or incurred regardless of whether cash is received or disbursed in that period

ASSET TURNOVER
Revenue divided by Average Total Assets

C

CAPITAL EMPLOYED
Shareholders' funds plus non-controlling interests and debt including lease liabilities

CURRENT RATIO
Current Assets divided by Current Liabilities

D

DEBT / EQUITY RATIO
Total Debt as a percentage of Shareholders' Funds

DIVIDEND PAYABLE
Final Dividend per Share multiplied by the latest available total number of Shares as at the reporting date

DIVIDENDS PER SHARE - PAID
Gross Dividends paid to Ordinary Shareholders divided by number of Ordinary Shares issued

DIVIDEND COVER
Earnings per Share divided by Dividend per Share

DIVIDEND PAYOUT RATIO
Total Dividend paid as a percentage of Consolidated Profits

DIVIDEND YIELD
Dividend per Share as a percentage of Market Price per Share at the end of the period

E

EARNINGS PER SHARE (EPS)
Profit Attributable to Equity Holders of the Parent divided by the Weighted Average number of Ordinary Shares in issue during the period

EARNINGS YIELD
Earnings per Share as a percentage of Market Price per Share at the end of the period

EBIT
Earnings Before Interest and Tax (includes other operating income)

EBIT MARGIN
EBIT divided by Turnover

EBITDA
Earnings Before Interest, Tax, Depreciation and Amortisation (Including Other Operating Income and excluding exchange gain/loss).

EFFECTIVE RATE OF TAXATION
Income Tax including Deferred Tax over Profit Before Tax

ENTERPRISE VALUE
Market Capitalisation + Debt including lease liabilities - Cash

F

FVOCI
Fair Value through Other Comprehensive Income

I

INTEREST COVER
Profit on Operating Activities over Finance Expenses.

L

LONG-TERM DEBT TO TOTAL DEBT
Long-Term Loans as a percentage of Total Debt

M

MARKET CAPITALISATION
Number of Shares in Issue at end of the period multiplied by the Market Price per Share at the end of the period

MARKET VALUE ADDED
Market Capitalisation - Shareholders' Funds

N

NET ASSETS
Total Assets - Current Liabilities - Long Term Liabilities - Minority Interest

NET ASSET PER SHARE
Net Assets divided by Number of Ordinary Shares in Issue at the end of the period

NET DEBT
Total Debt - (Cash in Hand and at Bank + Short-Term Investments)

NET PROFIT MARGIN
Profit After Tax Attributable to Equity Holders of the Parent divided by Total Revenue

NET WORKING CAPITAL
Current Assets - Current Liabilities

P

PRICE EARNINGS RATIO
Market Price of the Share at the end of the period divided by Earnings per Share

PRICE TO BOOK RATIO
Market Price per Share over Net Asset Value per Share

PUBLIC HOLDING
Percentage of Shares held by the Public calculated as per the Colombo Stock Exchange Listing Rules as at the date of the Report

Q

QUICK RATIO

Cash + Short-Term Investments + Trade and Other Receivables divided by Current Liabilities

R

RETURN ON ASSETS (ROA)

Profit After Tax divided by Average Total Assets

RETURNS TO CAPITAL PROVIDERS

Dividend paid and interest expense incurred during the year

RETURN ON EQUITY (ROE)

Consolidated Profit After Tax (excluding investment property gain) as a percentage of Average Shareholders' Funds

RETURN ON CAPITAL EMPLOYED (ROCE)

Earnings Before Interest and Tax as a percentage of Capital Employed

S

SHAREHOLDERS' FUNDS

Total of Issued and Fully Paid Share Capital, Capital Reserves and Revenue Reserves

T

TOTAL ASSETS

Fixed Assets + Investments + Non-Current Assets + Current Assets

TOTAL DEBT / TOTAL BORROWINGS

Long and short-term loans, including overdrafts, but excluding lease liabilities

TOTAL DEBT / TOTAL ASSETS

Total Debt divided by Total Assets

W

WORKING CAPITAL

Trade Receivables + Inventory + Amount due from Related Parties - Trade and Other Payables - Amount due to Related Parties

NOTES

NOTES

NOTICE OF MEETING

Notice is hereby given that the **129th Annual General Meeting (Meeting) of Ceylon Cold Stores PLC (Company)** will be held as a virtual meeting on Thursday, 18th June 2026 at 10.30 a.m.

The business to be brought before the Meeting will be:

1. To read the notice convening the meeting.
2. To receive and consider the Annual Report and the Financial Statements for the Financial Year ended 31st March 2026, with the Report of the Auditors thereon.
3. To re-elect as a Director, Mr. K C Subasinghe who retires by rotation in terms of Article 84 of the Articles of Association of the Company. A brief profile of Mr. K C Subasinghe is contained in the Board of Directors section of the Annual Report.
4. To re-elect as a Director, Ms. P N Fernando who retires by rotation in terms of Article 84 of the Articles of Association of the Company. A brief profile of Ms. P N Fernando is contained in the Board of Directors section of the Annual Report.
5. To re-appoint Messrs. Ernst & Young, Chartered Accountants as Auditors of the Company for the year 2026/27 and to authorise the Directors to determine their remuneration.
6. To consider any other business of which due notice has been given in terms of the relevant laws and regulations.

   This Annual Report and the Financial Statements of the Company are available on the:

   1) Corporate Website - https://www.elephanthouse.lk/media-hub/financial-reports/
   2) Colombo Stock Exchange Website - https://www.cse.lk/company-profile?symbol=CCS.N0000

Members may also access the Annual Report and the Financial Statements on their electronic devices by scanning the following QR code.

By Order of the Board

CEYLON COLD STORES PLC

Keells Consultants (Private) Limited
Secretaries
Colombo

25th May 2026

For clarifications on how to download and/or access the Annual Report and Financial Statements, please contact Ms. Jani Ganeshan on +94 77 167 7366 during normal office hours (8.30 a.m. to 4.30 p.m.) or email janig.ccs@keells.com.

Should any Members wish to obtain a hard copy of the Annual Report, they may send a written request to Level 20, The Offices at Cinnamon Life, No. 05, Justice Akbar Mawatha, Colombo 02 by filling the Form of Request. A printed copy of the Annual Report will be forwarded by the Company within eight (8) market days subject to the prevailing circumstances at the time from the date of receipt of the request, unless collected in person.

Note:

a) A Member unable to attend is entitled to appoint a Proxy to attend and vote in his/her place.

b) A Proxy need not be a Member of the Company.

c) A Member wishing to vote by Proxy at the meeting may use the Form of Proxy enclosed herein.

d) In order to be valid, the completed Form of Proxy must be lodged at the Registered Office of the Company at No. 117, Sir Chittampalam A. Gardiner Mawatha, Colombo 2 or forwarded to the email address: keellsconsultants@keells.com not less than 48 hours before the Meeting.

e) Members are encouraged to vote by Proxy through the appointment of a Member of the Board of Directors to vote on their behalf and to include their voting preferences on the resolutions to be taken up at the Meeting in the Form of Proxy.

f) A vote can be taken on a show of hands or by poll. If a poll is demanded, each share is entitled to one vote. Votes can be cast in person, by Proxy or corporate representatives. In the event an individual Member and his/her Proxy holder are both present at the Meeting, only the Member's vote is counted. If the proxy holder's appointor has indicated the manner of voting, only the appointor's indication of the manner of voting will be used.

FORM OF PROXY

I/We .....

..... of ..... being

a shareholder/s of Ceylon Cold Stores PLC hereby appoint .....

..... of ..... or failing him/her

Mr. Krishan Niraj Jayasekara Balendra	or failing him
Mr. Joseph Gihan Adisha Cooray	or failing him
Mr. Daminda Prabhath Gamlath	or failing him
Mr. Kaminda Charitha Subasinghe	or failing him
Ms. Payagalage Nelindra Fernando	or failing her
Ms. Renuka Nandini Kurukulasuriya Fernando	or failing her
Mr. Shivaan Kanag-Isvaran	or failing him
Mr. Harin Amendra Joseph De Silva Wijeyeratne	

as my/our Proxy to represent me/us and vote for me/us on my/our behalf at the 129th Annual General Meeting of the Company to be held on Thursday, 18th June 2026 at 10.30 a.m and at any adjournment thereof, and at every poll which may be taken in consequence thereof.

I/We, the undersigned, hereby direct my/our Proxy to vote for me/us and on my/our behalf on the specified Resolution as indicated by the letter "X" in the appropriate cage:

	For	Against	Abstained
1. To re-elect as a Director, Mr. K C Subasinghe, who retires in terms of Article 84 of the Articles of Association of the Company.			
2. To re-elect as a Director, Ms. P N Fernando, who retires in terms of Article 84 of the Articles of Association of the Company.			
3. To re-appoint Auditors and to authorise the Directors to determine their remuneration.			

Signed on this ..... day of ..... Two Thousand and Twenty-Six (2026)

Signature/s of Shareholder/s

Note:

Instructions as to the completion of the Form of Proxy are noted on the reverse.

FORM OF PROXY

INSTRUCTIONS FOR COMPLETION OF FORM OF PROXY

1. Please perfect the Form of Proxy by filling in legibly your full name and address, by signing in the space provided and filling in the date of signature.

2. The completed Form of Proxy should be deposited at the Registered Office of the Company at No. 117, Sir Chittampalam A. Gardiner Mawatha, Colombo 2 or forwarded to the email address: keellsconsultants@keells.com not later than 48 hours before the time appointed for the convening of the Annual General Meeting.

3. If the Form of Proxy is signed by an Attorney, the relevant Power of Attorney should accompany the completed Form of Proxy for registration, if such Power of Attorney has not already been registered with the Company.

4. If the appointor is a Company or Corporation, the Form of Proxy should be executed under its Common Seal or by a duly authorised officer of the Company or Corporation in accordance with its Articles of Association or Constitution.

5. If this Form is returned without any indication as to how the person appointed as Proxy shall vote, then the Proxy shall exercise his/her discretion as to how he/she votes, or whether or not he/she abstains from voting.

Please fill in the following details:

Name :.....

Address :.....

Jointly with :.....

National Identity Card No. :.....

Share Folio No./CDS Account No. :.....

CORPORATE INFORMATION

NAME OF THE COMPANY
Ceylon Cold Stores PLC

LEGAL FORM
Public Limited Liability Company

Established in 1866 as Colombo Ice Company Limited

Name changed to Ceylon Cold Stores Limited in 1941

Quoted in the Colombo Stock Exchange in January 1970

Registered under the Companies Act No.07 of 2007

COMPANY REGISTRATION NO.
PQ4

SUBSIDIARIES
Jaykay Marketing Services (Pvt) Ltd

LogiPark International (Pvt) Ltd

The Colombo Ice Company (Pvt) Ltd

REGISTERED OFFICE OF THE COMPANY
No. 117, Sir Chittampalam A Gardiner Mawatha, Colombo 02, Sri Lanka.

Tel : +94 11 230 6242

E-mail : info.ccs@keells.com

Web : www.elephanthouse.lk

MANUFACTURING FACILITIES
Samadaragahawatte, Ranala, Sri Lanka.

Tel : +94 11 216 1700

Seethawaka Export Processing Zone, Awissawella, Sri Lanka.

Tel : +94 36 203 0600

Kotagala Industrial Estate, Nuwaraeliya, Sri Lanka.

Tel : +94 51 224 4699

Ittapana, Mathugama, Sri Lanka

Tel : +94 34 201 8460

HEAD OFFICES OF THE GROUP
Ceylon Cold Stores PLC &

The Colombo Ice Company (Pvt) Ltd

Level 20, The Offices at Cinnamon Life,

No. 05, Justice Akbar Mawatha,

Colombo 02, Sri Lanka.

Jaykay Marketing Services (Pvt) Ltd

No. 148, Vauxhall Street,

Colombo 02, Sri Lanka.

CUSTOMER CALL CENTRE
Tel: +94 11 230 3800

BOARD OF DIRECTORS
Mr. K N J Balendra (Chairperson)

Mr. J G A Cooray

Mr. D P Gamlath

Mr. K C Subasinghe

Ms. P N Fernando

Mr. H A J De Silva Wijeyeratne

Ms. R N K Fernando

Mr. S Kanag-Isvaran

AUDIT COMMITTEE
Mr. H A J De Silva Wijeyeratne (Chairperson)

Ms. R N K Fernando

Mr. S Kanag-Isvaran

HUMAN RESOURCES AND COMPENSATION COMMITTEE
Ms. R N K Fernando (Chairperson)

Mr. J G A Cooray

Mr. S Kanag-Isvaran

NOMINATIONS AND GOVERNANCE COMMITTEE
Ms. R N K Fernando (Chairperson)

Mr. K N J Balendra

Mr. S Kanag-Isvaran

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE
Mr. H A J De Silva Wijeyeratne (Chairperson)

Ms. R N K Fernando

Mr. S Kanag-Isvaran

PROJECT RISK ASSESSMENT COMMITTEE OF JKH
Dr. (Mr.) S S H Wijayasuriya (Chairperson)

Mr. D A Cabraal

Mr. K N J Balendra

Mr. J G A Cooray

SECRETARIES AND REGISTRARS
Keells Consultants (Pvt) Ltd.

No. 117, Sir Chittampalam A Gardiner Mawatha, Colombo 02, Sri Lanka.

Tel : +94 11 230 6245

EXTERNAL AUDITORS
Ernst & Young

Chartered Accountants

Rotunda Towers,

109, Galle Road,

Colombo 03, Sri Lanka.

INTERNAL AUDITORS
Deloitte Advisory Services (Pvt) Ltd

100, Braybrooke Place,

Colombo 02, Sri Lanka.

BDO Partners

Chartered Accountants

Charter House,

65/2, Sir Chittampalam A Gardiner Mawatha,

Colombo 02, Sri Lanka.

BANKERS
Bank of China

Commercial Bank of Ceylon PLC

Citibank N.A

Deutsche Bank AG

Hatton National Bank PLC

Habib Bank Limited

Hongkong & Shanghai Banking Corporation Ltd

Nations Trust Bank PLC

Standard Chartered Bank

Sampath Bank PLC

Seylan Bank PLC

The National Development Bank PLC

Union Bank of Colombo PLC

DFCC Bank PLC

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